No. 32,421

LONDON, THURSDAY, MAY 21, 1987

ESTABLISHED 1887

3 Lawmen Killed in S. Africa

ANC Blamed For Bombing; 14 Wounded

JOHANNESBURG - Two car bombs exploded outside a courthouse here on Wednesday, killing three police officers and wounding five policemen and nine civilians. It was the largest number of se-curity officers killed in one incident

in South Africa in nearly a year. The government blamed the attack

South Africa has severely restricted the reporting of unrest or dissent. Correspondents may be fined or imprisoned for failing to submit to censors articles that contravene regulations.

on black guerrillas of the African National Congress.

The first bomb explosion was at the entrance of the magistrate's court building. It was followed by a more powerful one a minute later in a car parked across from a side entrance to the building, at the

edge of the financial district. members of the public, irrespective of race, sex or age, became the victims of cowardice of the ANC."

Wednesday was the fourth anniversary of the deadliest guerrilla bombing in South Africa's history, when 19 people were killed and more than 200 injured by a car bomb that exploded outside an of-

fice building in Pretoria.

The ANC, the main guerrilla movement fighting to overthrow the South African government. claimed responsibility for that bombing. The ANC has made no specific comment on the nearly 50 bombings in South Africa since a state of emergency was declared in

toria, a spokesman said that two of the officers wounded at the courthouse bombing had been seriously

The independent South African Press Association said that about 20 photographers and television crewmen were taken into custody after they took pictures of the bombing scene from a nearby roof ■ Angolan Charges Denied

South Africa denied on Wednesday allegations by Angola that its troops were operating deep inside

See BLAST, Page 2

Kiosk

House Moving

WASHINGTON (UPI)

The House approached final

passage Wednesday of a 5289.4 billion defense authorization

bill for 1988 that is laden with

arms control provisions, mak-

ing it a potential veto target.

Senate Democrats, mean-while, failed for a third time to

stop a Republican filibuster

against the Senate's \$303 billion

version of the bill. The Demo-

cratic leader, Robert C. Byrd.

said he might try again Thurs-

Marine to Be Released

WASHINGTON (AP) -

Sergeant John J. Weirick, a Ma-

rine embassy guard arrested on

suspicion of espionage in Len-ingrad, will be released from the

brig at Camp Pendleton, Cali-

fornia, and no spying charges

will be brought against him by the military, though his case has been referred to the Justice De-

partment, the Marine Corps

said Wednesday. [Earlier story,

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Page 3.]

starts out

On Arms Bill

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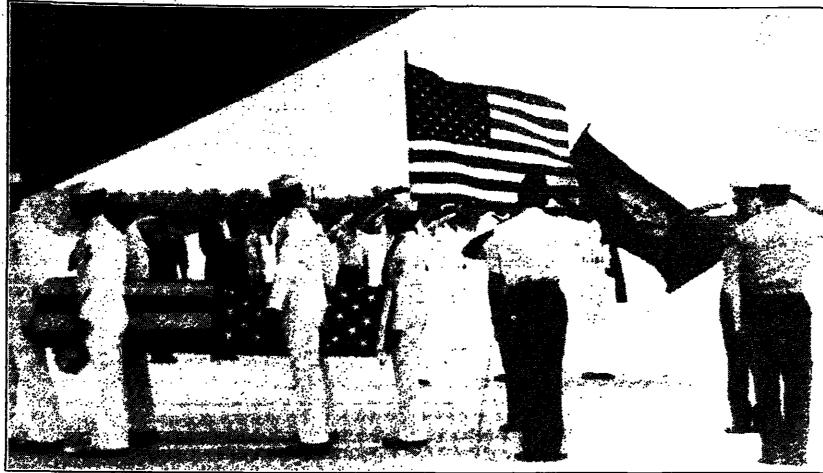
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J - EE'S



The coffin of a U.S. sailor killed in the Stark attack was loaded aboard a military jet in Bahrain on Wednesday for transfer to West Germany.

Ship Activated Defenses The minister of law and order, Adriaan Vlok, called the bombing an unscrupulous deed, where As First of 2 Missiles Hit

captain of the U.S. guided-missile ter. frigate Stack said Wednesday that of an Iraqi attack on it and were first missile struck, knocking out fenses when the first of two missiles forts were being made to reactivate

been fired until it was too late to engage it," Commander Glenn R. ment on the attack Sunday night and the combat center into infer-that killed 37 of his crew and in-

system turned off because there was no reason to expect an Iraqi attack, both Commander Brindel the Gulf, Rear Admiral Harold J. Is are French Mirage fighters. Bernsen, said in Manama

A senior Pentagon official, Rear intent shown by those aircraft to-Admiral Grant Sharp, was due in wards the ship," he said. "our rules of engagement would provide that into the attack, which both Iraq and the United States have described as an unintentional error. The Stark has been towed to Bah-

Commander Brindel said his defenses in the seconds after a lookout spotted an incoming pro-

MANAMA. Bahrain — The the ship's combat information cen-

The commander said he was near his crew had only seconds warning the information center when the activating their auti-missile de- electronic equipment. He said ef-We did not realize a missile had jectile hit about 30 seconds later. Both missiles penetrated the left

side of the Stark below the bridge, Brindel said in his first public state turning two crew compartments The ship had been running with F-1 aircraft from Iraq," the con-its sophisticated electronic defense

fran that commonly come down through the Gulf and pass within close distances of our ships and and the U.S. naval commander in ships of other allied navies." The F-"As long as there is no hostile

> we do not take those aircraft under Commander Brindel said: "The ship had track on the Iraqi F-1 from as much as 200 or more miles

John Kiser, 5, whose father was killed in the attack on the Stark, buried his face in his mother's dress during the memorial service Wednesday in Bahrain for the dead sailors.

Saudi Fighters Refused To Intercept Iraqi Jet

By George C. Wilson

Washington Post Service
WASHINGTON — Two Saudi Arabian F-15 fighters refused a U.S. Air Force request to intercept an Iraqi aircraft after it attacked the U.S. guided-missile frigate Stark in the Gulf on Sunday, according to Defense Department

The Saudi refusal has infuriated Pentagon military leaders and may provoke protests in Congress at a time when U.S.-Saudi relations are under scrutiny in the Iran-contra

"You better believe we're angry about it," said an official, who asked not to be identified.

Military officials acknowledged that the Saudis are not obligated under standing agreements to chase down a plane that attacks U.S. forces. The Saudis provide air cover for American AWACS since the surveillance planes protect Saudi forces, officials said.

At a crucial moment in the tracking of the Iraqi jet, the sources said Tuesday, the Saudis balked at the U.S. request for an intercept, which would have required the F-15s to maneuver alongside the Iraqi jet.

Intercepts are used to identify craft, force them to land, or, if ordered, to shoot them down at close range. Pentagon sources said there was no indication that U.S. commanders intended to ask the Saudis to fire on the Iraqi jet.

The Saudis, according to the sources, said they would need their ground commander's approval for an intercept. The sources, in giving the chro-

nology of the incident, said a U.S. airborne warning and control system plane with an American crew had taken off from Riyadh, Saudi Arabia, Sunday night without a fighter escort. The air force commanders had anticipated a routine surveillance mission as the AWACS plane followed its usual pattern over the Gulf.

About 9 P.M. the sources said, a radar operator noticed an unusually long green streak on his screen, indicating that a plane had taken off in Iraq and was racing south. Pentagon officials said they did not know whether the AWACS crew radioed warnings to U.S. ships in the path of the Iraqi plane. After the Iraqi jet, subsequently

See SAUDIS, Page 2

For Stark's Dead, a Bahrain Memorial

By Patrick E. Tyler Washington Past Service

MANAMA, Bahrain - The pailbearers on Wednesday were the men who had pulled the bodies out of the inferno Sunday night after the two Iraqi missiles slammed into the portside crew quarters of

the U.S. guided-missile frigate Stark. They stood at attention as the big U.S. Navy heliharbor to set down on the hot tarmac.

A color guard from the four U.S. military services stood at the rear loading ramp of a military jet transport plane that had come to take the 35 aluminum containers to Frankfurt, where the families would be waiting. Thirty-seven sailors were killed in the attack, but two of the bodies have not been recovered.

Two lines of folding chairs were set up for guests and dignitaries. At the end of the first row, nearest the ramp into the plane, was a woman wearing a lavender print dress, white scarf and beige gloves.

She and her small son were alone. Next of kin.

The wives of the other dignitaries came up and hugged her. Sunglasses covered her eyes. The Bahraini officials lined up to shake hands formally and express their condolences.

While the adults talked, the boy sat alone on the folding chair beside his mother. His hands folded, his gaze downward, he was lost in the concrete plain where this hasty farewell had been staged for his father copter appeared out of the dirty haze over Manama and the other Americans who had lost their lives on a peacetime sea patrol across the world from home in Mayport, Florida.

> The Stark's captain, Commander Glenn R. Brindel, stood grimly on one side of the woman and the boy. Rear Admiral Harold J. Bernsen, commander of U.S. naval forces in the Gulf, stood on the other.

> Her name was Barbara Kiser, she later said. Her husband. Steve Kiser. 34, was the senior chief petty been in Bahrain for a special visit when she learned

See FAMILY, Page 2

Gorbachev Hints He Would Accept Former King in **Afghan Coalition**

lished Wednesday that the Soviet Union would accept the former Afghan king, Zahir Shah, as part of a coalition government after the withdrawal of Soviet troops from Afghanistan. Mr. Gorbachev's remarks, in written responses to questions from the

Italian Communist newspaper L'Unità, were indirect, but diplomats in

a U.S.-Soviet agreement on withdrawing medium-range nuclear

missiles from Europe. He expressed frustration that, just when it seemed an accord was "in the bag," the Western allies began debating whether such a treaty would leave Europe at a disadvantage in conventional arms.

"Some people are trying to forge an endless chain of more and more linkages," he said, but added, "We nonetheless think that political re-

The Soviet leader said he also considered it "quite feasible" that agreement would be reached soon on "basic provisions" limiting intercontinental ballistic missiles, anti-ballistic missile defenses and nuclear testing.

Some of the rebels fighting the Soviet-backed Communist govern-ment in Afghanistan have indicat-

Polls show many Soviet workers are skeptical about the Gorbachev reforms. Page 5.

ed that they would welcome the king back as part of the government, but Soviet officials have not previously indicated their views on

Forming a government to re-place the Soviet-sponsored regime has emerged as a major stumbling block in efforts to negotiate an ar-

In the interview with L'Unità, conducted Monday and published Wednesday in Moscow, Mr. Gorbachev stressed that the Soviet Union would not insist on continued political influence over the Afghan government as a condition for withdrawing its 120,000 troops from the country.

He said the coalition government that the Afghan leader, Major General Najibullah, has proposed as araguan Democratic Force, said program" could be neutral, and had had with President Ronald

See AFGHAN, Page 2

By Bill Keller

MOSCOW - Mikhail S. Gorbachev indicated in an interview pub-

Moscow said the message was unmistakable.

Mr. Gorbachev also indicated a sense of optimism about prospects for

Rebel Says U.S. Vowed to Skirt Aid Ban

WASHINGTON - The consional committees investigating the Iran-contra affair heard testimony Wednesday from Adolfo Calero Portocarrero, a top Nicaraguan rebel teader, which indicated that the White House had already devised a method of helping to finance the rebels when Congress imposed a ban on official U.S. aid.

Giving details about the complicated money transactions. Mr. Ca-lero testified that Lieutenant Colonel Oliver L. North had been "very encouraging" in early 1984 and assured him that money for the rebels would be provided, regardless of whether the Boland Amendment banning aid was approved by Con-

Meanwhile, committee investigators said that Colonel North had personally cashed checks totaling \$2.440 for the purchase of food. retail goods, hotel rooms, airline tickets and other items, including articles from a hosiery shop in

Checks totaling \$25,000 also were cashed by federal drug agents and their associates as part of the effort to get Iran to seek the release

committee aides said. Mr. Calero, speaking of his close relationship with Colonel North, said that in dozens of meetings "I used to tell Colonel North practi-

cally everything." But Mr. Calero, head of the Nic-

See CONTRAS, Page 2

All three tested positive to the AIDS blood test. Two developed

3 Contract AIDS in U.S. **By Skin-Blood Contact**

By Robert Pear

WASHINGTON - Federal brief illnesses after contact with the health officials have reported three infected blood, but a health official cases in which health care workers said they had not developed sympbecame infected with the AIDS vi- toms of AIDS, a fatal viral disease rus after their skin was briefly ex- that destroys the body's immunity posed to blood from infected pa- defenses against cancers and infec-

Officials said the cases were the first documenting the spread of ac- 35,769 cases of AIDS and 20.683 quired immune deficiency syn- deaths. There is no cure for the drome to health workers that did disease. not involve direct injection of infected blood into the body or prolonged exposure to body fluids. Atlanta said the cases underlined The six previously reported cases the need for strict adherence to among health workers involved federal guidelines for preventing such injection or prolonged expo-

Federal health officials said Tuesday there was no evidence that the AIDS virus passes directly through intact skin. They said each of the three workers had small breaks or other abnormalities in tially infective body fluids." the skin through which the virus might have passed.

One was splashed with infected blood in the mouth, where the virus mended similar precautions for might have passed through mucous paramedics, firefighters and emer-

Dr. James M. Hughes of the Federal Centers for Disease Control in health care workers from becoming

infected with the virus.

The guidelines say that workers should wear gloves when they expect to be exposed to blood. In some cases involving "more extensive contact with blood or potensay, gowns, masks, goggles or safety glasses may be required. The government has recom-

gency medical technicians. But in an interview Tuesday, Dr.

Hughes, who is director of the hospital infections program of the Centers for Disease Control, said there was still no evidence that the AIDS virus could be transmitted through casual contact. Even when the skin is exposed to infected blood, he said, the chances of infection are very low. He said federal officials had

been unable to determine "the exact mechanism of transmission" of the AIDS virus in the three cases.

Extensive questioning established that none of the three health care workers was known to have had experiences that put them at risk. Dr. Hughes said. Two described themselves as monogamous heterosexuals and the other as having had no recent sexual exposure.

The virus is known to spread through blood, as on contaminated needles and syringes, and through versity associate professor and a sexual intercourse, as well as from

In one of the three cases, Dr.

See AIDS, Page 2

Japan's Way to Superconductivity: Let the Government Lead abreast of the expanding research under way in Japan. in the superconductor revolution, that was reinforced by its control of search and to share findings. After the equivalent of about \$22 million spending about \$300 million and at current exchange rates in super-

By John Burgess Washington Post Service

TOKYO - Within weeks after researchers announced the development of new superconducting materials that may revolutionize the use of electricity, two Japanese government agencies set about guiding and harnessing another form of energy: the Japanese competitive spirit

Committees on superconductors were formed, bringing together top minds from Japan's universities, government and private companies to trade ideas and discuss commercialization and government aid.

sessing spending plans. Others con- on-the-ground campaign," he said. company executives to keep bates the extent of its participation postwar recovery with an authority goal was to stop duplicative re- Technology Agency has invested

electrical current without resis- for and coordinator, a role it has

dinary metal conductors. "We are working to assure that all this will not be just a fad," said the United States has traditionally Mitsugi Chiba of the government's avoided as being anti-competitive: Science and Technology Agency. The agency oversees one of the two

Officials in charge of government research funds began reasWe want it to be a solid, feetciency. ferred with laboratories and While the U.S. government de- Trade and Industry guided the companies supplied the rest. The ductor research. The Science and

Andrew to the second se

The government no longer keeps

industrial development, striving to avoid duplication and increase effi-

Much of that statutory authority is now gone, but the ministry and

"administrative guidance," the for-space industry has not flourished, mal expression of the ministry's despite years of nurturing. The formidable will. In 1976, with the ministry's sup-

are prime tools. Also important is ble failures. The Japanese aero- at higher temperatures than metallic ones. Suddenly, even room-temperature superconductors seemed with-

postwar revival. In some cases its along until late in 1986. Then scien-

leadership was clearly crucial. Its tists at an International Business

specialist in superconductors, re- mother to fetus. called that he tossed the IBM paper

cally to Citicorp's decision on Third World debt. Page 15.

Lately, a lot of them have been ending up in homerums. Page 23. homeruns. GENERAL NEWS Fiji youths attacked indians in the first racial violence since

were injured. BUSINESS/FINANCE Markets reacted enthusiasti-

last week's coup. At least 50

tance at much higher temperatures played repeatedly over the years in than previously thought possible. the country's drive for pre-emi-Made of ceramics, which ordinary do not conduct electricity, their discovery opens the way to making old the close control over economic deuses of electricity more efficient cisions that it had through much of and developing new uses that were the postwar economic advance, impractical or impossible with or- and it spends far less on research

The new materials can carry ready begun to function as facilita-

than does the U.S. government. However, it does something that It coordinates, cajoles and guides

The Ministry of International

could mean success or failure for filling many patents, the project dis- conductor studies since 1982. The сотрапісь.

its technocrats retain major influence in the economy. They see this influence as a duty to decide what the future holds and to move people toward that future. Licensing and research grants

port, major electronics companies Honda Motor Co.'s expansion established a research association from motorcycles into cars. for microchip development. The Government funding has played government provided loans; the a relatively small role in supercon-

banded in 1980. Some studies consider the ministry to have been the key to the

pressuring of foreign companies to Machines Corp. laboratory in Switlicense computer technology in the zerland published a paper conclud-1960s is commonly cited. The ministry has also had notaministry opposed Sony Corp.'s initial licensing of the transistor and

ing that superconductors could be made from ceramics and function

ministry claims not to know how

much it has spent, but calls it small.

The Japanese research plodded

Koichi Kitazawa, a Tokyo Uni-

FORMER MP PLEADS GUILTY - Harvey Proctor,

who resigned Saturday as a Conservative member of

Parliament, arriving at court Wednesday in London. He

pleaded guilty to four charges of gross indecency with

Kuwait May Ship Its Oil Under U.S. Flag in June

terred by the attack Sunday on the U.S. guided-missile frigate Stark. may start shipping its oil under the American flag next month, politi-cal sources said Wednesday.

The emirate, at the northern part of the Gulf, supports Baghdad in the Iran-Iraq war and has been negotiating to transfer half its 22 tankers to U.S. registry.

The U.S. registry, sought after 16 attacks by Iran this year on vessels trading with Kuwait, would entitle gan's policies. the tankers to U.S. naval escons.

emoring forward with the arrangement, a State Department deputy spekeswoman, Phyllis Medical State Department deputy spekeswoman with arms of the State State Department deputy spekeswoman with arms of the State State Department deputy spekeswoman with arms of the State Department deputy spekeswoman with a state Department deputy spekeswo

Diplomats said that Kuwait Reagan's orders to U.S. warships in spond to calls for peace."

KUWAIT - Kuwait, under proaching aircraft appeared hos-

"I think most people are astonished they did not establish that policy a long time ago." said a senior Western diplomat in the GШ.

U.S. sailors and injured 21. But. in local newspaper criticized Mr. Rea-Al-Anba, a daily that is usually

editorial: "We consider President

attacks on Iraqi territory and rein-

(Continued from Page 1)

the approaching aircraft, but the ship received no response, he said. Two to three minutes passed between the time the second warning undetected laser-guided projectile and knocked out the electronics was sent and the plane launched its

After the second warning, actions were taken to engage weapons systems but the Phalanx anti-missile gun was only being switched from manual to automatic life after the lookout spotted the approaching projectile, he said.

There had been no radar indication that the aircraft had launched missiles or that they were locked onto the ship, he said

Toll Rises in Fire in China The Associated Press

BELING - The death toli has risen above 200 in a forest fire that has searched nearly 1.5 million acres (600,000 hectares), destroyed several villages and is still out of control in Heilongriang Province, the newspaper China Daily said

that her husband had been killed

when his compartment was hit.

and took the boy's other hand.

ordered to present arms.

Kuwait has not commented officially on the attack, which killed 37

Kuwait is a major world oil export. friendly to the West, said in an

Oakley, said in Washington on You have supplied Iran with arms to escalate the war, to continue its would welcome President Ronald force Iran's arrogant refusal to re-

DEFEND: System Was Inactivated

Commander Brindel said he knew from bits found on the Stark that one missile was a French-made Exocet. But it was not clear wheth- AWACS. He said he could not iner the plane had first launched an

He said the Phalanx had been in a manual mode to prevent it shooting down an approaching aircraft

automatically. Asked how the missiles could penetrate all the defensive systems, Commander Brindel said it was a

M U.S. Plans Kuwaiti Escorts The United States announced Wednesday it was moving ahead

difficult question to answer

Times reported from Manama. In addition, to bolster the firepower of the American ships in the Gulf, the Pentagon is sending an aircraft carrier, the Constellation. into the Aracian Sea so its F-14

FAMILY: For Stark's Dead, a Memorial in Bahrain

son and he put his hand over his taps.

door opened and Mrs. Kiser can hag, it disappeared into the navy hangar. She stopped only to

reached down for her son's hand. Plane, Commander Bundel stood, say a few turnis. She said she

Admiral Bernsen reached down to doniess his eyes cast down, thought it was an act of God and took the boy's other hand. The fourine was repeated for Commander Brindel also

overhead as the honor guard was container. No. 35, was ready for the ling back to the Stark. He said he

Two Bahraini Air Force iets flew container No. 34 When the last stopped for a moment. He was go-

snort procession between helicop- still had a lot of work to do.

Request Refused (Continued from Page 1)

SAUDIS:

identified as a single-seat Mirage F-1 fighter-bomber, had flown about 40 miles (64 kilometers) south of the edge of the Iraq-Iran combat zone, the AWACS crew noniced that the plane made a sharp turn toward the Stark. A few seconds later, sources said, the AWACS detected an Exocet missile closing on the Stark.

"I think he hit the Stark," some-one inside the AWACS exclaimed the first response in the emirate, a over a radio link that reportedly was picked up by other U.S. ships in the Gulf.

The AWACS commander, the sources said, immediately radioed the Saudi air base in Rivadh to request fighter protection. The Saudis complied, sources said, launching two F-15s. The Saudi F-15s. apparently guided by com-mands from the AWACS, soon were in the area of the attack. The fighters fell in behind the Iraqi jet returning to Iraq.

At that moment, the sources said, the AWACS commander requested the F-15s to intercept the Iragi plane, an easy task because of the AWACS' radar-tracking capa-

"This is not our forces," one of the Saudi pilots radioed back to the tercept the Iraqi jet unless he received permission to do so from "my colonel," presumably on the ground at the Riyadh air base. But the Saudi pilots did not hear

said, and broke off the chase. The Iraqı Mirage landed safely at its

from their commander, sources

Ex-Gadhafi Aide Injured in Attack

VIENNA - A former aide of with plans to provide navel escorts the Libyan leader, Colonel Moamfor 11 Kuwaiti oii tankers operat-ing in the war zone at the northern in an attack Wednesday, an Interiend of the Guif. The New York or Ministry spokesman said. Ezze-king with suggestions that he take din al-Ghadamsi, 49, a former am- part in a government, and he is said bassador to Austria, survived an assassination attempt in Vienna in

The spokesman said Mr. Ghadamsi was injured in the head durfighters can fly protective cover for ling a scuffle in a central Vienna faction, diplomats said.

A Chinese diplomat said Beijing had picked up rumors that Societ diplomats made informal overtures to the king last year.

(Continued from Page 1)

"The Soviet Union does not and

will not interfere in matters of

where Afghan comrades will seek

partners for the realization of the

and emigrants abroad, or maybe in

your own country, Italy," the Sovi-

seven Afghan insurgent factions

have reportedly approached the

to have indicated his willingness.

Zahir Shah is known to com-

mand respect from some rebel

groups, though his presence would

be opposed by an Iranian-backed

ical forces."

leader said.

deposed in 1973.

Zahir Shah, 72. assumed the throne in 1933. He pursued a policy The navy officers sainted. Mrs ter and transport ramp, a navy buof strict neutrality in international Kiser whispered something to her gler stepped forward and played The helicopter taxiec forward, heart. The pailbearers moved for.

Thirty two of the caskets had already been loaded. The helicopter taxiec No. 33, draped in the Ameriand then walked back toward the created a constitutional monarchy and excluded members of the royal family from public office.

He proved unable, however, to resolve the country's economic at a press conference in London problems or to calm restive ethnic that Moscow was ready to negotiminorities. While visiting Italy, he are reductions of any weapons, inwas deposed in a bloodless coup led by his prother-in-law. General Sadar Mohammed Daud.

two men under the age of 21 and was fined £1,700. **AFGHAN:** Soviet Hint on Ex-King port an extragovernmental opera-General Daud, who made himcould embrace "most diverse politself president, was killed in a 1978 prohibited direct or indirect U.S. coup that led to the establishment of a pro-Soviet government and eventually to the December 1979

Wednesday whether the king now national reconciliation program: in their own country, among refugees would have much popular appeal. "He was not regarded as terribly effective," the diplomat said. "But et leader said.

The only major Afghan political figure in Italy is Zahir Shah, who national leaders, there's really nohas lived near Rome since he was body else alive."

A Western diplomat questioned

intervention by Soviet troops.

Mr. Gorbachev did not indicate Mr. Gorbachev's remarks lent how much power the king or other credence to recent rumors that the new "partners" would wield in a king was being considered for a coalition.

part in a new government. Mr. Gorbachev dismissed West-Representatives of some of the ern charges that the Soviet Union was afraid Afghanistan would slip

from its political control. "It is sometimes alleged that the Soviet Union will only agree to a political settlement to the Afghan problem that would leave Afghanistan within its sphere of influence," he said.

"This is a profoundly erroneous evaluation.

used \$3 million in traveler's checks ■ Reaction on Tactical Arms to pay for "administrative travel," A Soviet official said Wednesday among other things, and that he that reductions in tactical nuclear had given to Colonel North weapons, as proposed by West \$670,000 in traveler's checks, which Germany, should be negotiated he understood had been given to along with cuts in conventional other rebei leaders. affairs. In 1964, he supported the arms and not as part of talks on introduction of a constitution that medium-range nuclear missiles, Reuters reported from London. Singapore Organ Donor Law

Les Mendelevich head of the Soviet Foreign Ministry's evaluation and planning department, said to remove vital organs from people who die in accidents unless they ciuding tactical and hattlefield nuhave previously registered an obclear arms with a range below 500 jection to organ donation. kilometers (300 miles).

WORLD BRIEFS

U.S. Warns Airlines of Penalties

WASHINGTON (UPI) — The U.S. government, reporting an increase in consumer complaints, warned the major airlines in the United States on Wednesday they would face stiff penalties unless they reduced flight

on Wednesday they would lace suit pensature during leafured high delays, cancellations and lost baggage.

The warning was conveyed in a letter by Elizabeth H. Dole, the secretary of transportation, who pledged that the government would work with the airlines to resolve the problems. "However, please be advised," the letter said, "that, where necessary, we will not heatate to mer National Security Council Mr. Calero said he also met once with Vice President George Bush in Mr. Bush's office, but money was

refer a matter to our enforcement office for action. Under federal regulations, violators could face a fine of \$1,000 a day for each offense. The government received 2,103 consumer complaints last month, up from 1,050 in April of last year. The largest number of complaints, 767, was lodged against Continental Airlines, the Transporinto U.S. arms sales to Iran and the tation Department said.

Japan Says 4 Sold U.S. Data to Soviet.

TOKYO (AP) — Four Japanese passed on U.S. military documents to Soviet and Chinese buyers for several years, Japanese police charged Wednesday, U.S. military authorities said they were studying the extent testimony explaining the workings of the rebel army fighting to overthrow the Sandinist government in of the security damage. The four suspects, who include a current and former employee of U.S. He also said that since April 1985 he had had at least four meet-

military facilities in Japan, were arrested Tuesday after one attempted to give U.S. military documents to a Soviet diplomat in a Tokyo park, the olice said.

ings with President Reagan and also met with Mr. Bush, and re-Police said the men were suspected of setting documents to Soviet diplomats and unidentified Chinese buyers in return for more than \$714,000. U.S. military officials, who initially alerted Japanese police to the matter, declined to comment on the nature of the docu

Israeli Forces Oppose Lavi Jet Project

JERUSALEM (Reuters) — The Israeli arroad forces has joined the United States in calling for the government to scrap the multibillion. dollar Lavi jet fighter project because of feared strains on the military budget, state radio said.

bunger, state radio saru.

In a special meeting Wednesday of the Israeli cabinet, which is divided over the future of its planned home-made fighter for the 1990s, heard in July 1984, two months after the official U.S. money ran out, reports from the military on the project that Washington says Israel Mr. Calero saids, he found a \$1 cannot afford. million deposit in his bank account

The radio said military officials told the cabinet the armed forces were against continuing the project. The Pentagon has estimated that each Lavi would cost \$22.1 million, whereas Israel put the figure at \$14.5 million. While some ministers agree, others said thousands of engineers and technicians would lose their jobs if the Lavi, which made its maiden flight in December, were grounded.

Argentine Rebel Leader Found Guilty

BUENOS AIRES (NYT) -- Mario Firmenich, 39, a key leader of the leftist guerrilla movement against which the Argentine military government fought in the 1970s, has been found guilty in a 1974 hidrapping, murder case and sentenced to life in prison. He will serve no more than 30 years, however, according to the agreement under which he was extradised from Brazil in 1984.

Judge Carlos Luft of the federal court in the Buenos Aires subarb of profits from the U.S. arms sales to San Martin held Tuesday that Mr. Firmenich organized the kidnepoing of Jorge and Juan Born, wealthy grain traders. The kidneppers killed the Borns' driver and a business associate. The Borns were released after payment of an estimated \$60 million in ranson rebels received no money from

Mr. Firmenich was the principal leader of the Montoneros, the largest rgentine guerrilla organization. He is the second guerrilla leader to be found and tried. The first, Ricardo Obregon Cano, a former governor of Cordoba Province, is serving a six-year sentence for illegal association

For the Record

Greece's Parliament rejected on Wednesday an opposition call for an inquiry into fraud and embezdement charges against Socialist officials. The charges have prompted Prime Minister Andreas Papandroon as request a vote of confidence in his government.

The mayor of Philadelphia, W. Wilson Goode, beat two Democratic primary challengers Tuesday. Frank Rizzo, a former mayor, defeated a Republican rival after he switched parties in a comeback try. (AP)

TRAVEL UPDATE

U.S. Lifts Freeze on Landing Systems

NEW YORK (NYT) - In a move intended to reduce flight delays and increase airport capacity, the Federal Aviation Administration has lifted its five-year freeze on installing more instrument landing systems at U.S.

3 Policemen Slain

(Continued from Page 1)

said the charges were an attempt to divert attention from

CONTRAS:

Vow to Skirt Ban

Reagan, they never discussed the

activities of Colonel North, a for-

The Nicaraguan rebel leader was the fifth witness to testify before

the House and Senate committees

in the third week of investigations

private supply network for the con-

ceived expressions of U.S. dedica-

The White House, Mr. Calero

said, was already prepared to sup-

tion to provide "butlets and beans"

to the rebels when Congress passed

the Boland Amendment, which

military aid to them between Octo-

- the first installment of \$32 mil-

lion donated by Saudi Arabia be-

rween July 1984 and March 1985.

surprised" when the huge deposits

were made to his accounts, but he

indicated he did not know or care

where the money was coming from.

He said he did not ask Colonel

information was not volunteered.

North about the sources, and the

In requesting testimony from

Mr. Calero, the congressional com-

mittees hope to determine what

happened to millions of dollars in

Iran, some of which apparently was

diverted to the contras. But Mr.

Calero insisted Wednesday that the

Mr. Calero said he himself had

Agen: e France-Presse

SINGAPORE - The Parlia-

ment in Singapore adopted a bili

Wednesday that will allow doctors

these deals.

He said he was "very happily

ber 1984 and October 1986.

tion to his group's cause.

Mr. Calero spent much of his

(Continued from Page 1)

not discussed.

Nicaragua.

The official Angolan news agency quoted President José Eduardo dos Santos on Tuesday as saying at a special meeting in Luanda of the United Nations Council on Namibia that six battalions of South African troops were carrying out

An Israeli committee has prepared a report for cabinet approval on sanctions against South Africa in line with those adopted by Western nations, a Foreign Ministry official said Wednesday. Reuters re-

BLAST:

Pretoria. South African authorities

ternal problems.

hostile reconnaissance missions deep inside Angolan territory.

■ Israel Weighs Sanctions

ported from Jerusalem

Ministry officials have said that Israel is considering banning new investments in South Africa, reducing trade and barring ministerial

hak Shamir, who is expected to submit it for cabinet approval on

Lack of precision landing equipment on runways often causes delays in operations when weather falls below minimum requirements for caling and visibility. Since some airports have the landing systems on only some of their runways, had weather can severely reduce an airport's capacity to

handle flights. More than pr but officials said Tuesday that the agency would allow installation of a limited number. They emphasized that the agency was sticking to its longterm commitment to install more advanced microwave landing systems starting in the early 1990s. The freeze was imposed in 1982 as a means of expediting the transition to the microwave systems. But the short-term eed remained because of the persistent growth in air traffic.

United Airlines will raise fares across the United States by \$15 for one way first-class flights and by \$10 for one-way unrestricted coach flights effective June 3.

Record numbers of Swiss vacationers are going to the United States this year because of the decline of the dollar, tour operators said Wednesday. About 210,000 Swiss are expected to visit the United States, compared with 185,000 last year. (UPI)
Flight attendants of Spain's Aviaco Airlines, demanding better pay and

work conditions, began a three-day strike Wednesday, stranding thousands of passengers, a company spokesman said.

Autos lined up for fuel at Gibraltar's only open gasoline star

Wednesday or drivers crossed into Spain to fill tanks as a strike by Shell Oil workers entered its second day.

Clarification

A New York Times article in Wednesday's editions about the new U.S. The report was prepared by a group led by Yossi Beilin, director-general of the Foreign Ministry. He proprietor of Betty's Namies, a Houston-based recruitment agency for proprietor of Betty's Namies, a Houston-based recruitment agency for proprietor of Betty's Namies, a Houston-based recruitment agency for proprietor of Betty's Namies, a Houston-based recruitment agency for proprietor of Betty's Namies, a Houston-based recruitment agency for proprietor of Betty's Namies, a Houston-based recruitment agency for proprietor of Betty's Namies, a Houston-based recruitment agency for proprietor of Betty's Namies, a Houston-based recruitment agency for proprietor of Betty's Namies, a Houston-based recruitment agency for proprietor of Betty's Namies, a Houston-based recruitment agency for proprietor of Betty's Namies, a Houston-based recruitment agency for proprietor of Betty's Namies, a Houston-based recruitment agency for proprietor of Betty's Namies, a Houston-based recruitment agency for proprietor of Betty's Namies, a Houston-based recruitment agency for proprietor of Betty's Namies, a Houston-based recruitment agency for proprietor of Betty's Namies, a Houston-based recruitment agency for proprietor of Betty's Namies, and the Betty Recruitment agency for proprietor of Betty's Namies, and the Betty Recruitment agency for proprietor of Betty Recruitment agency for proprietor agency for proprietor of Betty Recruitment agency for proprietor age is to give it to Prime Minister Yitz- au pairs, was quoted as saying, "If they took all the manthorize away we'd all come to a screeching hait." She said that the article should have specified that her agency places only American namies, all of whom are legal workers.

AIDS: 3 Cases From Skin-Blood Contact

Hughes said, a hospital worker was exposed to blood while she was pressing gauze against the arm of a patient who was bleeding. She was exposed to the patient's blood for about 20 minutes. The worker's with an inflamed area of ber face.

"There is a possibility" that the illnesses resulted from infection not wearing gloves.

In the second case, a rubber

mucous membrane inside her nucleosis. Dr. Hughes said.

worker. The worker had a history gloves, but had no open wounds. of acne, but apparently ao open lesions on her face. Federal officials said the AIDS virus might have been transmitted across the with symptoms like those of mono-

In the other case, blood spilled with the AIDS virus, he said. Dr. onto the hands and forearms of a Hughes said he believed all three worker manipulating a machine were now in good health and that stopper popped off a glass tube, used to separate blood into its com-spattering blood onto a health care ponents. She was not wearing AIDS.



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Shultz Tells Austria's Chancellor Case on Waldheim Is 'Convincing'

WASHINGTON - Following talks with Chancellor Franz Vran-itzky of Austria, Secretary of State George P. Shultz said Wednesday that the case against Kurt Waldheim, the Austrian president, remained "totally convincing."

The United States has barred Mr. Waldheim, the former United Nations secretary-general, from visiting the United States because

Shultz that the U.S. decision ha upset the Austrian governs and the Austrian people." He said another meeting will

Mr. Shultz on Thursday offere the opportunity to continue out

"We're willing to hear whatever the chancellor has to say," Mr. Shuitz said. "We have exthe evidence, and find the case to be totally convincing and of his World War II activities. stands. We're quite press Mr. Vranitzky said he told Mr. plain our decision and a





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Webster Confirmed To Become CIA Chief 'At This Critical Time'

By Tom Kenworthy Washington Past Service
WASHINGTON — The Senate

has overwhelmingly confirmed the nity Council staff in November be-nomination of William H. Webster, cause of his role in the Iran-contra director of the FBI, to be the direcaffair. tor of the Central Intelligence

Mr. Webster, 63, a former federal judge and prosecutor who was head of the Federal Bureau of Investigation because of his role in providing the intelligence community at this former Marine guard's statement to the intelligence community at this former Marine guard's statement to the intelligence community at this former Marine guard's statement to the intelligence community at this former Marine guard's statement to the intelligence community at this former Marine guard's statement to the intelligence community at this former Marine guard's statement to the intelligence community at this former Marine guard's statement to the intelligence community at this former Marine guard's statement to the intelligence community at this former Marine guard's statement to the intelligence community at this former Marine guard's statement to the intelligence community at this former Marine guard's statement to the intelligence community at this former Marine guard's statement to the intelligence community at this former Marine guard's statement to the intelligence community at this former Marine guard's statement to the intelligence community at this former Marine guard's statement to the intelligence community at this former Marine guard's statement to the intelligence community at this former Marine guard's statement to the intelligence community at the intelligence community at the intelligence community at this former Marine guard's statement to the intelligence community at this former Marine guard's statement to the intelligence community at this former Marine guard's statement to the intelligence community at this former Marine guard's statement to the intelligence community at this former marine guard's statement to the intelligence community at this former marine guard's statement to the statem yover U.S. intelligence operations at arms to the Nicaraguan rebels, a time when the agency's role in the known as contras, as well as other indocuments detailing attempts by tense scrutiny on Capitol Hill.

Mr. Webster assumes command of the CIA from the acting director, affair. Robert M. Gates, who has run the agency since the resignation Feb. 2 of William J. Casey. Mr. Casey died May 6 after complications from a cancerous brain tumor. Mr. Gates withdrew his name from consideration amid questions

about the CIA's involvement in the Iгал-contra alfair. The Senate approved, 94-1, on Tuesday the nomination of Mr. Webster, with Senator Harry M. Reid, Democrat of Nevada, dissenting because of what he said were lingering questions about FBI conduct during a series of criminal

investigations in his state. Mr. Webster's confirmation came after lengthy hearings by the

FBI's dealings with Lieutenant Colonel Oliver L. North, who was dismissed from the National Secu-

During the hearings it was dis-closed that Mr. Webster was unaware of FBI memoranda indicating that Colonel North might be a documents detailing attempts by Colonel North to interfere in agency investigations of the Iran-contra

"The evidence showed that the FBI and Judge Webster himself did not respond to the danger signals of improper and even illegal activities by Colonel North," said Senator Arlen Specter, Republican of Pennsylvania, a panel member.

Nonetheless, Mr. Specter said, "Judge Webster ought to be con-firmed because he has an outstanding record as a judge, practicing attorney and director of the FBL"

Senator David L. Boren, Democrat of Oklahoma, who is chairman of the committee, said an "exhaustive review" of Mr. Webster's career and the FBI's links to Colonel North showed that Mr. Webster is



William H. Webster

The brief debate Tuesday on Mr. Webster's nomination underscored the case's most controversial pieces the Senate's renewed sensitivity to of evidence. the CIA's relations with Congress. of covert operations involving arms sales to Iran.

publican of Maine, noted the some times conflicting demands the CIA faced in maintaining secrecy while also operating "within the law." He said secrecy can lead to "the political paralysis which we are seeing a certain amount of now." But Mr. Cohen and Mr. Boren

agreed that Mr. Webster was well entists will study how the brain suited to repair the strained rela- makes the mind work. tionship between the CIA and Con-

am particularly impressed "fully qualified in all respects to Webster to the oversight pro-provide the leadership needed by Congress, Mr. Boren said. Webster to the oversight process

Marine Held in Spy Case Defends His Character

By Bill McAllister

Washington Post Service
WASHINGTON — Corporal
Arnold Bracy, a U.S. marine accused of allowing Soviet agents into the U.S. Embassy in Moscow, has testified publicly for the first time, telling a military investigator that he is a deeply religious person who said no to drugs, alcohol and

Playboy magazine. Prosecutors, pressing what White House officials have conceduse it to try to reintroduce one of

That is another statement by Relations have been strained by the Corporal Bracy, which he has since Reagan administration's failure to recanted, in which he allegedly said inform the intelligence committees he and another marine allowed So-

Senator William S. Cohen, Re- Johns Hopkins to Form Mind-Brain Institute

BALTIMORE - Johns Hopkins University has announced that it will build a \$25 million Mind-

Brain Institute where teams of sci-

Dr. Guy M. McKhann, 55. chief of neurology at the university, will become director of the institute on July 1, it was announced Tuesday. The first research effort will be learning and memory, he said.

viet agents to examine some of the embassy's most sensitive areas. The prosecution attempt began at a closed hearing at the Marine hase in Quantico, Virginia, where Corporal Bracy has been held since

March on espionage charges. Before the hearing was closed, the investigating officer. Major Geoffrey P. Lyon, agreed with prosecutors that Corporal Bracy's testimony had opened the issue of his character. He said he would allow prosecutors lautude in questioning the marine's character.

Major Charles A. Ryan, the chief prosecutor, told Major Lyon that Corporal Bracy's character "is very much at issue." He hinted that he wanted to raise questions about whether Corporal Bracy's behavior in Moscow was consistent with the way he had described himself. Corporal Bracy's civilian lawyers

said the actions illustrated how vigorously they expected prosecutors to press the case. The Marine Corps dismissed several identical charges last week against Sergeant Clayton J. Lonetree, another Moscow guard implicated in the case. Corporal Bracy's lawyers had

hoped to limit the scope of questioning of their client to his days before joining the corps' elite Security Guard Battalion, which protects U.S. embassies.

But Major Ryan said that the marine "opened the door" to wider questioning by saying he did not read Playboy or Penthouse magazines, curse, drink or use drugs.



Corporal Arnold Bracy, right, is escorted to a hearing.

Legislators Assail U.S on Fraud Case

Washington Post Service

WASHINGTON — Members of Congress have sharply criticized the Justice Department for closing a three-year investigation of General Dynamics Corp.'s submarine contracts without bringing charges.

The department announced the end of the investigation Tuesday. saying that the evidence did not support "any reasonable prospect of a successful prosecution.

Officials said they could not prove that General Dynamics, the largest defense contractor in the United States, had lied about delivery dates and cost overruns in building nuclear attack submarines for the navv.

Senator William Proxmire. Democrat of Wisconsin, said the decision "shows the Justice Department is not serious about defense fraud."

"How do these armchair prosecutors know they could not get a conviction unless they bring one of these large contractors to court? said Mr. Proxmire, who is chairman of the Joint Economic Committee's subcommittee on national

Representative John D. Dingell, Democrat of Michigan, said a sub-committee of the House Energy and Commerce Committee. which he is chairman, would hold a hearing on General Dynamics and

French Academy Inducts Nixon for His Gift to Art

By Samuel Abt

tional Herald Tribune PARIS - French taste in Americans inclines toward Billy the Kid types: in tennis, the tantrum-ridden Jimmy Connors; in movies, the pratfallen Jerry Lewis; in literature, the bleak Horace McCoy. In politics, the French have long fancied Richard M. Nixon, 37th president of the United States.

In one of his rare honors of the last decade, Mr. Nixon was installed Tuesday as a foreign associate of the Academie des Beaux-Arts, a part of the prestigious Institut de France. He will hold the seat that became vacant on the death of Arthur Rubinstein, the pi-

The Beaux-Arts is not to be confused with another part of the Instiwhose members are known as "the Immortals." No similar guarantee is accorded to the Beaux-Arts' 50 French members - painters, writers, engravers, composers, scuiptors, architects and filmmakers and its 15 foreign associates.

ored for his contribution to French landers.

with fervor and which he had fafit but long in the jowls, he spoke
wored." Specifically, Mr. Nixon for 15 minutes, mainly in praise of
signed into law in 1973 a bill allowing U.S. tax deductions for and General ing U.S. tax deductions for contributions to the restoration of Versailles and the Claude Monet house

in Giverny. For this, promised the president of the Academie des Beaux-Arts, Bank of the Seine, Mr. Nixon told Arnaud d'Hauterives, Mr. Nixon of first meeting Mr. Rubinstein in gains the right "in our company, to be invited to participate in discus-sions about the arts." He will also be allowed to wear the academy's green-embroidered uniform, to pin on it his medals and to bear, if he

wishes, a sword. In a circumspect speech, Mr. d'Hauterives, a painter, made it clear quickly that "I wish to skip all politics and welcome you here as a friend of France."

The closest thereafter he came to tute, the Académie Française, the circumstances that led to Mr. Nixon's resignation in August 1974

Charles de Gaulle.

Addressing an audience of several hundred sitting on green or gray plush seats under the mighty dome of the Mazarin Palace on the Left "I was particularly impressed to

meet him," the 74-year-old Mr. Nixon recounted, "because as a young boy I had played some classical music on the piano. I was introduced to him as a young senator from California. As he fixed me with a steady gaze and a wide smile and grasped my hand, I had the sion of incredible but carefully controlled power.

"I can see him now. He was ramwas an acknowledgment that "In rod straight, with strong arms and the impressive Oval Office, you did the compact trunk of a champion not know only joys." Otherwise, his boxer. I read later that was only 5 capsule history of Mr. Nixon's feet 8 inches tall, but that evening presidency stressed the historic he seemed to me to be at least 3 opening with China and the wel-inches taller." (The speech was art-The former president was hon-coming home of the first moon fully translated into French by Ver-Mr. Nixon took the cue. Looking the United Nations, who even con-received a higher compliment."

passed cheerfully into immortality," Mr. Nixon continued. "Today, a century after his birth, a new edition of his recordings is being issued. At a time when the light of the West's cultural heritage seems increasingly dim - when the music we all loved in our youth is being drowned out by the bizarre racket that is called music and that has enraptured today's youth - the unabated popularity of Arthur Rubinstein is a signal that all is not yet lost in this age of superficiality and

He finished with a tribute to de Gaulle, "one of the wisest leaders I

vulgarity.

Recalling a letter he sent de Gaulle after the general left public office in 1969, Mr. Nixon said he invited him to visit the United States because "In this age of mediocte leaders in most of the world America's spirit needs your pres-

continued, "he looked up and said. non A. Walters, U.S. delegate to 'He is a true comrade.' I have never

Klan Property Is Given to Black Victim's Mother

woman from Alabama, the mother ed at \$225,000. of a teen-age son who was mur-dered in 1981 by two Klansmen.

Under the terms of a federal court verdict delivered in March, the woman, Beulah Mae Donald of Mobile, was given the deed this week to a brick and corrugated metal building of 7,200 square feet and 6.5 acres of wooded land near Tuscaloosa, Alabama. The building was until recently the national adquarters of the United Klans of America Inc.

DOONESBURY

BEN, DID YOU

REALLY ASSIGN REDFERN TO BURITE

Mrs. Donald, the mother of seven tion; the other is serving a sentence children, said Tuesday. "I said be-fore that the money didn't mean By turning over the mean anything to me."

suit in which a jury concluded a of Tuscaloosa. Klan organization is financially lia-

WELL, I THINK YOU SHOULD

ISN'T ON ANY OF THE CAN-

By William E. Schmidt

New York Times Service

Attorneys for Mrs. Donald said
Two Klansmen have been conSouthern Poverty Law Center in
Work Times Service

Tuesday she planned to turn the victed in separate criminal proMontgomery, said investigators New York Times Service

ATLANTA—The headquarters of one of the largest Ku Klux Klan groups in the United States now

Tuesday she planned to turn the victed in separate criminal proceedings for the slaying of Mrs. Donald's 19-year-old son, Michael. Ittle in assets other than the building and the Was beaten and strangled in gand property. That suggested belongs to a 67-year-old black 2.3 bectares of property is estimation and his body left hanging woman from Alabama, the mother ed at \$225,000. "I really don't feel anything yet," One of the men is awaiting execu- added: "This is pretty much a

> fore that the money didn't mean
> anything to me, and it still doesn't
>
> Mrs. Donald, the Klan has decided not to appeal the judgment. The The property was turned over to legal title to the building and propher by the Klan as part of the crty was held by an organization judgment in a \$7 million civil law-called the Anglo-Saxon Club Inc.

> ble for criminal acts by its mem- awarded Mrs. Donald a settlement of \$7 million, Bill Stanton, of the

> > I KNOW. IT WAS MY

MIGHT CLEARTHE AIR

IDEA. I FIGURED IT

"in decline," Mr. Stanton said. He death blow to it."

The United Klans, founded in 1961 and headed by Robert M. Shelton, has been one of the nation's largest Klan groups. In the 1960s its membership was estimated at 30,000.

The group also has a reputation for violence. Members were impli-Although an all-white jury cated in the 1965 murder of Viola Gregg Liuzzo, a white civil rights worker from Detroit

EXCUSE ME, BEN. HAVE YOU EVER

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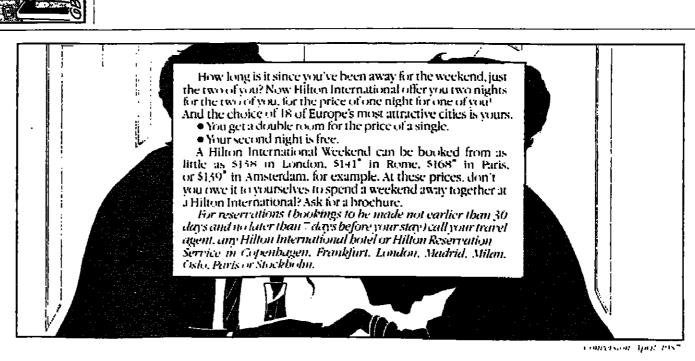
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Michel Cojot-Goldberg going to court Wednesday.

Hero of Portugal Coup Convicted of Terrorism

de Carvalho, a hero of Portugal's 1974 revolution, on Wednesday of running a secret leftist terrorist group that sought to overthrow de-

The three-judge panel said the organization, known as Global Project, sought to "subvert the normai functioning of the institutions of this democratic state consecrated in the constitution."

Zoo Bears Kill Brooklyn Boy

NEW YORK - Two polar bears mauled and killed an 11year-old boy who climbed a fence at the Prospect Park Zoo in Brookand then sneaked into the bear enclosure. Policemen shot and killed both of the animals as they tugged at the dead boy's body, the authori-

LF. 11,500 6,300 3,400

Plos. 27,000 16,000 6,800

Son of Nazi Victim Says He Met Barbie in Bolivia **Intending to Kill Him**

By Julian Nundy

LYON - The son of a Jew alleg-Barbie told a French court Wednesday that he had traveled to Bolivia to assassinate the former Nazi officer but could not go through with the killing. Michel Cojot-Goldberg, 48, told

the jury hearing evidence against Barbic that he dropped the plan with crimes against humanity.
"I found him contemptible, full

of contradictions and rather mediocre," Mr. Cojot-Goldberg said. "I didn't feel the hatred I needed to

Speaking on the first day that victims of Nazism were called to testify, Mr. Cojot-Goldberg said that he had been armed with a pistol and could have shot Barbie when they met at Easter in 1975. He said that he posed as a journal-

ist during the meeting.
Mr. Cojot-Goldberg's father was one of 86 Jews arrested at the of-fices of the General Union of Jews of France in Lyon in February 1943. He was four years old when his father was deported to the Auschwitz concentration camp.

His father died in the camp. Lawyers for the civil plaintiffs in the case, meanwhile, did not renew a request for Barbie to be forced to appear. He has not attended his trial since May 13, two days after it

Mr. Cojot-Goldberg said that Barbie told him that he had fought "the Resistance and Communi edly deported to his death by Klaus not Jews," during his World War II

> friends in the bar where they were talking asked him why, if he was only a middle-ranking officer in the SS, he mented such attention.
>
> I had more power than a gener-

al," Mr. Cojot-Goldberg quoted Barbie as saying. Barbie also boasted about his ar-

rest of Jean Moulin, Charles de Gaulle's personal representative in the Resistance inside France, Mr. Cojot-Goldberg said. Responsibility for Moulin's death was laid on Barbie when he was tried in absentia in 1954 by a French military

The testimony Wednesday also included statements by witnesses to the arrests of Jews in February 1943. They did not directly implicate or identify Barbie in their ac-



INDIAN RIOTING KILLS 55 - Police patrolled Wednesday in New Delhi, where a curfew was imposed after 55 people died in India in two days of Hindu-

Moslem violence. Forty-eight deaths were in the northern town of Meerut. Curfews were ordered in Meerut and in the western city of Broach, where five were killed.

50 Hurt in Fiji Racial Violence

an outdoor prayer meeting stood gnard with rifles outside govtors said many of the injured were women and children.

Wednesday in the first racial viotence since the coup on May 14.

ton. Restaurants and stores were closed, and there was no bus sertors of the government of Mr. Bators of the government of the government of Mr. Bators of the government of the government of Mr. Bators of the government of the government

Unconfirmed reports circulating in the capital, meanwhile, said the Great Council of Chiefs, the indigenous Fijian community's most influential body, secretly passed a resolution Tuesday night in support of the overthrow last week of the government, which was domi-nated by people of Indian descent.

But the chiefs also reportedly rejected the new administration of the governor-general, Sir Penaia Ganilau. Sr Penaia said Tuesday that the leader of the coup, Lieutenant Colonel Sitiveni Rabuka, had agreed that the governor-general should exercise executive power in a caretaker position.

· Members of the council were thought to be considering an amendment to assure that indigenous Fijians would have political dominance over Indians, who slightly outnumber them

Such a measure was among the goals of Colonel Rabuka, who sent troops into Parliament and arrested Prime Minister Timoci Bavadra and his government, which was

Central Suva was deserted early SUVA, Fiji — Young Fijians at-lacked people of Indian descent at in camoullage battle dress who them had been seriously hurt. Doc-

> On Wednesday, Britain, New Zealand and Australia advised tourists to postpone travel plans to the 300 islands of the South Pacific archipelago. Prime Minister David Lange of New Zealand ordered a second warship into the area. He kept the armed forces at a "high level of readiness" and said he was monitoring the situation in case New Zealand citizens had to be

The situation following the coup remained confused

While Colonel Rabuka effective-ly relinquished power, hisnel's troops patrolled streets and re-troops patrolled streets and reafter the coup.

In the racial incident Wednessmashing car and store windows. trolled politics.

Suva's main hospital said 30 peo-

port of the government of Mr. Ba-vadra, which was elected April 11 and was the first to be dominated by Indians in Fiji's 17 years of

independence. Sir Penaia and Colonel Rabuka appealed for calm after the violence. The colonel told 200 indigenous Fijians gathered outside the chiefs' meeting Wednesday that if there were no resolution of the political conflict, "then we will carry on with the military regime."

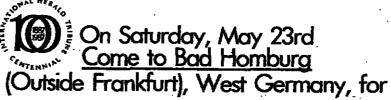
In a national address, Sir Penaia, himself a member of the council, indicated he would make an effort to persuade the chiefs to back him

mained in charge of maintaining it has exercised a right to address security under the emergency declared by Sir Penaia immediately sentative, on matters concerning sentative, on matters concerning the welfare of the Figians. People of Indian descent make

day, about 200 Fijians punched up 49 percent of the nation's and kicked Indians assembled for a 715,000 people, and indigenous Fijians are 47 percent. Indians, most the building where the chiefs were of them descended from indenmeeting. Witnesses said that at tured laborers brought here by the least 50 people were hurt. The mob British in the 19th century, domilater moved through the streets, nate commerce. Fijians have con-



Herald Eribune.



HE COUPE

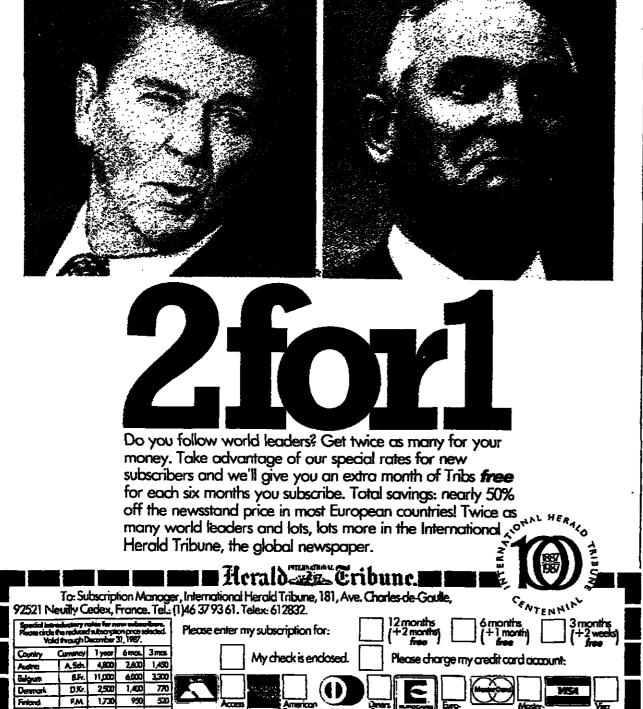
The vintage car event of the year, organized by the Automobildub von Deutschland (AvD) and sponsored by the International Herald Tribune as part of its centennial celebrations.

The rally will feature vintage cars from all over Europe and will be held over the same course, through the beautiful Taunus countryside, as the Gordon Bennett Cup race of 1904, when Kaiser Wilhelm II gave the official start before a crowd of one million enthusiastic fans.

It will be a memorable day. So, if you are within striking distance of Frankfurt, be sure to come and bring your family and friends. The official start will be at the Bad Homburg "Kurpark" at 9:00 a.m. and the finish will be in the afternoon between 2 and 5 p.m.

* James Gordon Bennett, Jr., the eccentric miliornaire publisher, founded the European edition of his New York Herald Tribune on October 4, 1887. He was a lean enshusiasic sportsman: He introduced polo to the United States; he was the first transational youth race; he was the founder of automobile racing and of balloon racing. The Gordon Bennet Cup, which he first offered in 1900 to encourage the infant automobile inclusive, was the direct precursor of today's international Grand Prix races and was the object of enamous popular enthusiasm of the time. The trophy, which was officially known as the "Coupe Internationale Automobile" in time with Bernett's policy of forbidding use of his own name in





21-5-87

U.S. Group Seeks Change In School Curriculum

By Barbara Vobeida

WASHINGTON — AR HOUSEally broad mix of leaders from government and the private sector has called for a restructured U.S. school curniculum that would extol democracy as "the worthiest form of government ever conceived."

The statement issued Tuesday also calls for an end to the selfcriticism of the Vietnam War and Watergate eras in school curricu-

It carries 150 names, including Secretary of Education William J. Sennett, Walter F. Mondale, Jimmy Carter, Gerald R. Ford, leaders of both major teachers unions, as well as the National Association of Evangelicals, a conservative group, and People for the American Way. an organization founded to counter the religious right.

In a document entitled "Education for Democracy." the group-said "we fear that many young Americans are growing up without the education needed to develop a solid commitment to those notions and sentiments' essential to a democratic form of government."

It urged that history and human

ities be taught in more depth and earlier, even in the primary grades, and called for more attention to world studies, with students required to thoroughly study at least one non-Western society.

The curriculum, the group said, should be reordered around a core of history and geography, always taught from the perspective of "un-derstanding under what conditions people can enjoy rights and free-

"The idea is that history should be taught with objectivity but not with neutrality," said Diane Ravitch, chairwoman of the Educational Excellence Network. Her group sponsored the project with the American Federation of Teachers and Freedom House, an organ zation that monitors political and civil liberties.

The statement was the most recent in a series of recommendations that schools in the United States move away from the "values free" teaching said to be prevalent

in the 1960s and '70s. At a conference sponsored last month by People for the American Way, it became clear that politically liberal groups had moved toward advocating that schools teach civic virtue and take clear positions on right and wrong behavior.

cult of personality that aurounded Stalin, told the Italian Communist Party newspaper L'Unità that he had had trouble deciding what to The statement released Tuesday echoed the theme, saying that "education for democracy" must study in college because of his di-"extend to education in moral isplines in school attracted my spe-cial interest, which sciences I liked

"The basic ideas of liberty, equality and justice, of civil, political and economic rights are all assertions of right and wrong, or mor-

al values," the document said. "It is absurd to argue that the state, or its schools, cannot be conright from wrong," it continued.

In criticizing current curriculum, the document cited a teaching guide on human rights that gave equal significance to the "right" to take vacations, freedom of speech and the right to vote.

Booklet Profiles Successful Schools In Poverty Areas

WASHINGTON - President Ronald Reagan unveiled Wednes-day a guide intended to help transform U.S. schools in inner cities and poverty areas into a "ladder for success" for disadvantaged chil-

The U.S. education secretary, William J. Bennett, said the handbook lays out what amounts to "the best strategy for breaking the cycle of poverty.

The booklet, "Schools That Work: Educating Disadvantaged Children," is the third in a series of guides prepared by Mr. Beanett's department for parents and educa-

It profiles nearly two dozen schools and programs that have produced top scores on achievement tests and low dropout rates in the depressed surroundings that are usually synonymous with fail-

aid, often have no more resource than unsuccessful ones, but they deploy them better. He said a strong principal often makes the

Israel Restricts Candidacy

JERUSALEM - The parliament has barred candidates for public office from holding dual citizenship. The law, enacted Tuesday, apparently is aimed at discouraging Rabbi Meir Kahane from running again. Rabbi Kahane hane, a Knesset member and the founder of the militant Jewish De-fense League, holds Israeli and U.S. citizenship.

UTHORS WANTED By N.Y. PUBLISHER



A WELCOME ON THE WAY — Chancellor Helmut Kohl of West Germany, right, greeting Prime Minister Amintore Fanfani of Italy to Bonn on Wednesday. Mr. Fanfani was on his way to meetings in France with the president and the prime minister.

achieve much in life, but still peo-

ple with a broad outlook are more

Since becoming first secretary of the Soviet Communist Party in

March 1985, Mr. Gorbachev has

deflected questions about his per-

sonal life, asserting that he is part of a collective leadership and that

his personal interests should be of

In his initial response to the

newspaper, Mr. Gorbachev said of

questions about his private life, "In

my country it is not quite custom-ary to speak about such things but I

He told L'Unità, "In mature

years, I have been more interested

n economics, read and written on

ese topics. It can be said I know a

"I have read a lot of literature on

philosophy, books written in this

country and in the West. I can say

that a sort of 'epoch of renaissance'

has set in for the Soviet Union, and

thing or two in this field." He add-

ed, "But I have a continuing inter-

est in philosophical questions, es-

to my liking."

no importance.

will try to answer.'

"One might agree," Mr. Gorba-chev said, "that people who con-the creative spirit of Lenin is reviv-

More French

elegance for less French Francs.

The Marriott Prince de Galles Hotel, one

Gorbachev Ends Silence

On His Many Interests

MOSCOW - Breaking a long

silence about his personal interests,

Mikhail S. Gorbachev said in an interview published Wednesday

that his "weakness" was curiosity

Mr. Gorbachev, who has dis-

claimed any desire for the kind of

"I cannot even say which disci-

more and which I liked less," he

"I joined the department of law but at first I wanted to enroll at the

department of physics. I liked

mathematics very much, but I also

He also said that "to this day I

remember by heart poetry I learned

centrate on some specific field ing."

about too many things.

Soviet Polls Show Skepticism on Change

Gorbachev Program More Popular With Managers Than With Workers

By Celestine Bohlen

Vashington Past Service MOSCOW — A significant In Kazakhstan. 40 percent of number of Soviet workers are still workers surveyed said they did not skeptical about Mikhail S. Gorba- want any changes in the wage syschev's campaign to transform Sovi-tem, and 24 percent felt the new et society, according to recent offi- policy of glasnost, or "openness,"

Samples of polls taken by the was doing more harm than good. Moscow Sociological Research Institute, published in several leading newspapers this month, reveal drive to change the economy and the attitudes of citizens.

The surveys, which focused on 7,000 workers in Moscow and in prestigious jobs as engineers and the Central Asian republic of Kazakhstan, as well as on young peoshowed widespread grass roots support for the idea of change, or perestroika, as Mr. Gorbachev's

The polls also, however, disclosed a basic uncertainty, even distrust, about what changes will mean to people's lives.

This caution among rank-and-Soviet press and Mr. Gorbachev himself have recently brought atresults of his program and the ex-

"We are all unfortunately — or happily — impatient," Vilen Ivanov, director of the sociological institute, said in an interview. "Having put our efforts behind wards today: new goods, more pay. better apartments.

A sampling of the survey results, drawn from the official newspapers shows, for instance, that 62 percent of workers at a Moscow plumbing factory feel that the policy changes have simply meant more work for

said they were waiting to see how

the policy turned out. and criticism about shortcomings

A significant gap in support for perestroika has developed between blue-collar and white-collar workweak spots in the Soviet leader's ers. For instance, in Orsk, 84 percent of young workers supported the policy of change, compared to 94 percent of those holding more

service employees. "In other words," Mr. Ivanov ple in the Russian city of Orsk, told Izvestia, "the closer you are to production, the lower your appraisal of the ongoing process."

Overall, 90 percent of those surveyed backed the program and only six-tenths of 1 percent were characterized as opposing it outright. But in terms of results, 94.8 percent of workers reported that reforms were coming about "slowfile workers could prove to be a ly, with great difficulty," or had not been felt at all. On the higher rungs sen by Mr. Gorbachev to involve handicap as the program enters a been felt at all. On the higher rungs critical phase later this year. The of the work force, 63.7 percent responded that way.

The results mirror complaints in tention to the lag between early recent letters in newspapers expressing disappointment at the pace of change. A resident of the Ukrainian town of Oratov, writing to the Communist youth daily Komsomolskaya Pravda, said that, while change might be happening elsewhere. I cannot say the same perestroika, we want to reap re- for my town. Everything here has congealed while we wait for some-

thing from someone." The chief question put by the Izvestia and Sovetskaya Rossiya, and more openly in Moscow: "Who is blocking change?

Many experts say the question is them. One-third of these workers in place yet. They argue that it will up his role in early 1982.

place can be judged. While some of the framework is still lacking, however, the policy of change has already affected the atmosphere in the country, with wide-ranging personnel changes and a new critical attitude in the press and in government toward

doppy or corrupt behavior. have been given greater latitude to place at the point when there are distribute profits, and have been encouraged to show greater initia-

sion between views from the front tion in this regard so far gives little Still, the poli illustrates a divioffice and from the shop floor. In one Moscow district, manag-

ers complained about worker inertia while workers accused managers of empty phrase-making and indifference, Izvestia said. Earlier, more simplistic, analyses blamed resistance to change on the

middle layers of Soviet society, on

bureaucrats and officials. It now

appears that resistance or distrust runs deeper in the society. Mr. Ivanov said workers seemed less impressed by the policy than

intellectuals did. According to the poll results, the drive for democratization of the work place - one of the tools choworkers in his program — has not taken hold. For instance, just over a third of workers in one Moscow

De Benedetti Confirms He Is Subject of Probe

ROME - The chairman of Olivetti SpA, Carlo de Benedetti, confirmed Wednesday that he had received notice from magistrates that his role during a brief period as vice chairman of Banco Ambrosiano

was under investigation. Banco Ambrosiano collapsed in August 1982. Judicial sources said the investigation focused on the premature, since many of Mr. Gor- terms on which Mr. de Benedetti bachev's economic changes are not sold his stake in the bank and gave

be years before effects on the work district were satisfied with their opportunity to influence the course of

the policy. The survey pointed to a Catch-22 situation that has bedeviled Soviet economic planners: Until workers see real changes, they will be reluctant to improve their performance.

"A restructuring" of work conditions, Mr. Ivanov said, "will take and organizational forms, when the whole management mechanism is changed. The analysis of the situabasis for optimism."

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Herald Tribune.

After the Coup in Fiji

The Way It Should Be

They had a military coup last week in Fiji, the South Pacific paradise whose tourist slogan is "The Way the World Should Be." A Sandhurst-trained officer stormed into Parhament, leading bizarre-looking troops wearing gas masks. Lientenant Colonel Striveni Rabuka arrested the cabinet of a newly elected government. The comp sputtered as the colonic freed the jailed cabinet. The governor general, who is appointed by Queen Elizabeth II, promised new elections. The duly elected prime minister rejects this deal.

The Melanesian coup makers did not complain about the fairness of last month's election, only the results that put the Indian majority in power. New elections in themselves will not settle the ethnic power struggle. That will require leadership and agreements to protect minority rights.

What happened in Fiji is colonial history in microcosm. Since independence in 1970 the islands have been ruled by Melanesians, now 47 percent of the 715,000 inhabitants. A century ago the British imported laborers percent of the population. The inevitable happened last month, when the new majority elected a predominantly Indian Fijian party, and the new government talked ominously of trying outgoing cabinet ministers on corruption charges. Then came last week's cris which was evidently resolved by a deal calling for fresh elections and an amnesty.

Fin's ethnic disputes, and their sources in colonialism, are all too familiar. So is the tendency to reach out for foreign patrons and to claim geostrategic significance for a parochial power struggle. No sooner had Colonel Rabuka taken over than he was telling the press that he was only restoring Fiji's pro-Western stance: "The foreign min ister I just ousted is a known frequent visitor to the Soviet Union, and the finance minister

is a friend of the Soviet Union and Libva." True enough, Russians and Libyans are trawling for diplomatic advantages in the South Pacific, where nuclear allergy is widespread. But the best counter in Fiji would be a fresh attempt at enlightened power sharing by two ethnic communities — so to speak, the way the world should be.

-THE NEW YORK TIMES

American Attention

By Tuesday, the worst of the trouble in Fiji seemed to have passed. The party representing the indigenous Melanesians had been voted out in April by the party representing the country's bare majority of ethnic Indians. A military officer purporting to speak for the losers staged a coup last week. Six days later, the British-appointed governor general arranged a fairly happy ending in which the coup makers gave up, receiving amnesty, and a plan was announced to hold new elections. No one seems to have been hurt except a Fijian who had seized a plane on the tarmec to obtain release of the officials arrested in the coup; he was hit on the head with a whisky bottle.

So now those who are new to awareness of Fiji know two things. It has a sharp ethnic divide, which is the defining fact of its politics and may bedevil it somewhat more now than in the past. But it also has a sturdy democratic system and a tradition of fair play, which should give it a chance to

live with its divisions, if not to mend them. even after this nasty business of a coup. Fiji has been a good international citizen, providing peacekeeping units to the United Nations and disturbing no one, and it deserves sympathy in its time of testing now.

In a spin-off of sorts, the coup has drawn fresh American attention to the potential vulnerability of some of the small, far-flung, Western-oriented states of the South Pacific. Coincidentally, or so they said, the Australians booted out the Libyan Embassy on Tuesday - for "clandestine" dabbling with aborigines and the like. Libya is said to have made mischief in other ocean places, and meanwhile Moscow has begun to assert a blue-water naval and diplomatic presence of its own. There is no call for undue concern, but it is good to see that Australia and New Zealand spoke out strongly for the restoration of democratic rule in Fiji. They are the developed countries best situated to reassure island states that need reassuring.

-THE WASHINGTON POST.

Abandoned to Nazi Fate

World War II have recently been offered highly simplified reruns of Good and Evil. The question of Germany's war guilt was revived two years ago by President Rea-gan's stubbornly insensitive visit to the cemetery in Bitburg. What Kurt Waldheim really did during the war ignited angry argument before and after his election as president of Austria. Now the trial of Klaus Barbie in France inflames old questions about the guilt of French collaborators as well as of Gestapo torturers.

The implication is that Europeans have reason for soul-searching, whereas Americans, detached, can congratulate them selves on military valor during the war and Marshall Plan virtue afterward. In truth there is reason for everyone to do some soul-searching, Americans included.

Rarely has evil faced the world so brazenly as during the Nazi horror. It must be measured on a unique moral scale; there is no comparing genocide with silence and passivity. Yet these offenses also need to be measured, and Americans shared in both. At the very peak of the slaughter, America slammed its doors and folded its hands.

How little was done to resist the slaughter and rescue the victims has been recounted by Walter Lagueur and others. In a devastation 1984 book, "The Abandonment of the Jews. David Wyman, a historian and grandson of two Protestant ministers, concludes that all segments of American society, including churches and the Jewish community, failed to take even minimum steps to help. Only 21,000 refugees were allowed to enter the United States during the war with Germany

just 10 percent of the total that could normally have entered. The State Department, yielding to fear of a diplomatic backlash and domestic nativism, resisted pleas for saving large numbers of refugees.

Only in 1945, with the war almost over, did Franklin Roosevelt establish a War Refugee Board. A conference was held in Bermuda in April, yielding these headlines on successive days: "Refugees Are Warned to Wait"; "Conference Says Large Scale Rescue Not Possible Now"; "Scant Hope Seen for Axis Victims"; "Refugee Removal Called Impossible." In Mr. Wyman's view, Roosevelt's lack of response to the extermination of European Jewry was his worst failure

Much has been said about Pope Pius XII's silence about Nazi war crimes. Austria's reluctance to confront its embrace of Hitlerism has magnified the controversy over Mr. Waldheim's Nazi past. As for Poland, the failure of so many to lift a finger for imperiled Jews is examined at length in "Shooth," the French documentary film.

What question should Americans ask themselves? Mr. Wyman puts the matter justly: "The Holocaust was certainly a Jewish tragedy. But it was not only a Jewish tragedy ... The killing was done by people, to other people, while still other people stood by ... Would the reaction be different today? Would Americans be more sensitive, less self-centered, more willing to make sacrifices, less afraid of differences now than they were then?" To judge by American receptivity to the boat people, the answer is probably yes. What counts as much is that silence is no longer acceptable.

-- THE NEW YORK TIMES.

All Treated as Equals

The U.S. Supreme Court ruled unani-mously this week that a 19th century civil rights statute protects not only racial groups but also what are now considered ethnic groups. Citing three main sources - dictionaries and encyclopedias of the period, and the legislative history of the statute at issue - Justice Byron White emphasized that all the members of the court "are quite sure" that this interpretation of the law is correct. Modern anthropologists have identified

three main racial groups: Caucasoid, Ne-groid and Mongoloid. It had long been assumed that when Congress passed the early anti-discrimination laws after the Civil War, it acted to protect freed slaves. More recently, courts interpreted the law to protect any of the three racial groups from discrimination. But in the two cases just decided by the Supreme Court, a more expansive definition of "race" was presented, based on the meaning of the word in the mid-19th century when Congress was debating the law.

Sure enough, the legislators had referred to "the Scandinavian race," "the German race" and the "Anglo-Saxon races." The reference books of the period similarly use the word to refer to groups of people "belonging to the same stock." There was no emphasis at all on skin color. Thus the court held that Congress intended to protect persons against discrimination based on their ancestry or ethnic characteristics - Jews, Arabs, Norwegians and Italians, for example.

Modern civil rights statutes prohibit dis-crimination based on national origin, but there are advantages to litigating under the old law: The statute of limitations is looger, punitive damages are available and jury trials are allowed. The old law can now be used by Korean Americans against Japanese Americans or by Polish Americans against Irish Americans. Will this clos the courts? We doubt it, although there is always a possibility of frivolous suits. Where there are real problems of discrimination because of ethnic heritage, should not this litigation option be available? It is a premise of a liverse society that Americans treat each other as equals. No discrimination based on ancestry should be considered tolerable. -THE WASHINGTON POST.

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OPINION

Ask Mr. Gorbachev: What Is Peace if It Isn't Humane?

T HREE months ago, together with other political prisoners, I was released from camp. But far from By Anatoli Koryagin

all the prisoners have been released. As a condition of release, each political prisoner is required to sign a statement in which he promises to refrain from future anti-Soviet activity. Some people agreed to sign such statements. Others categorically re-

completely different meanings. I didn't sign any kind of statement, but I told them that I refused to renounce my former activities, which I do not consider to be anti-Soviet, and that immediately upon my release I would return to these activities. Nevertheless, they released me.

ment had the courage to declare openly that these people had been jailed but had committed no crime of any sort.

ordinary - say, an article in Pravda which is critical of a

government official - and report that story in such a way

as to make readers believe that this rare exception is

becoming or has already become the rule. This is absolutely

untrue. The most significant aspects of glasnost have been

and will continue to be only very rare exceptions, and only those exceptions which the government decides it is safe to

Irina Ilovaiskaya Alberti, editor of the Paris-based émigré weekly Russkaya Mysl (Russian Thought);

make. It is irresponsible not to remember this.

Western correspondents will spot something out of the

fused, or signed statements that had

Dr. Koryagin, a psychiatrist, was imprisoned in the Soviet Union for six years for "anti-Soviet agitation," a criminal charge arising from his reports that political dissidents were being confined and abused in mental hospitals. He was released in February and lives with his family in Switzerland. This comment comes from a discussion conducted with him recently in Washington.

loudly pronounced policy about re- been released were freed under a forbuilding the Soviet economy and So-viet life. The results of restructuring That means that formally they are so far, however, do not allow us to say still considered criminals. That that liberalization is taking place.

Perhaps the larger number of political prisoners are still in camps and places of exile, and none of them has da, is still considered to be a crit been released. No political prisoner

Soviet authorities are now faced incarcerated in a psychiatric hospital with a need to put into practice their has been released. Those who have means any attempt to express aloud.

one's own opinions, if they differ from the official line and propagan-. There are still many limits on Sovi-

Too Much Ado About Precious Little Glasnost THE government has spoken about the rehabilitation of GLASNOST does not exist. What frightens me is the great enthusiasm in the West when 140 dissident some authors. Its message is in fact that it will permit the public access to these few specimens of ugly and prisoners are claimed to be released without anyone confinuing to ask why they were locked up in the first place.

irrelevant writing although they were written by traitors. There has been no effort toward political rehabilitation of these authors. I do not regard that as any form of glasnost. Gorbachev has never said anything about the laws and the trials which put these people in prison being unfair or even being re-evaluated. At least under Khrushchev the govern-- Natalya Gorbanevskaya, a Russian writer in Paris. TERTAINLY we are not too quick to assume that because Gorbachev has made some expedient politi-

cal moves, there is now a popular revolution in principles going on. As a Russian émigré, I would love nothing better than for just such a revolution to be taking place. However, I am all too acquainted with the constraints of Soviet Communist government. And while I welcome some of the things Gorbachev has done, it is clear that the importance of his actions is being greatly exaggerated in the West.

— A dissident who asked not to be identified. His remarks, like those above, come from interviews canducted by Christopher Boian of the International Herald Tribune.

Foreign radio stations are jammed, with the exception of the BBC. People who want to emigrate are not allowed to leave the country.

The most elementary religious code, about anti-Soviet agitation and propaganda and anti-Soviet slander, have not been removed from the criminal code. These articles directly contravene the Soviet constitution. This is why one still cannot think the process of democratization in the country bas

really gathered strength.

I forgot to mention Article 188. This law contradicts all generally accepted juridical norms. It allows up to five years of continued impriso ment to be imposed on those already imprisoned if they don't fulfill the demands of the camp administration; if, for example, they violate camp reg-ulations. This article provides the potential of continuous adding on, of one sentence after another.

There were instructions given in May 1984 to view prisoners on hunger strikes as violators of camp norms, and as a result they were put in punishment isolation cells. personally see no real prospect. that my comrades in the camps will soon be released, but I intend to struggle for them and also for the release of prisoners of conscience from psychiatric hospitals. This is the aim I have set for myself in the West. Continuous pressure must be exerted on the Soviet government, using any channels and at all levels and in

the most varied areas of mutual con-

tact. The more often there is discus

guishing in the Soviet Union, the more one can hope for their rapid release. As for official contact with the

world of official Soviet psychiatry, until that world is no longer connected rights continue to be demed. The two with the abuse of psychiatry, I consid-overtry political articles of the criminal er it to be undesirable. But in private contacts, one could conduct discussions about the need to create in the Soviet Union a special commission of highly qualified psychiatrists with no relationship to the Ministry of Internal Affairs. The task of this commission would be to examine and reexamine the diagnosis of patients in psychiatric hospitals whose symptoms sound politically motivated.

It is important to struggle for peace. But one also has to struggle a humane world. In prison in 1986, I smuggled out a letter developing three slogans under which one should struggle for peace. First, peace and peace should be fought for in the name humanism not of politics. Third, only a society with a human face and laws has the right to speak about peace for all of mankind. The struggle for peace can be incomplete or, if you wish, not completely honest, if peace is relegated to the abstract realm and if it is not a peace requiring

a humane structure of society. The powers that be can be organized in any way they want. But it has to be humane. And now it is not humane. I will struggle against these anti-humane methods. When a person suffers as a result of methods used in the Soviet Union against its citizens, I as a doctor cannot ignore it.

Hart's Withdrawal Gives The Republicans a Boost Against 'Seven Dwarfs'

By Kevin Phillips

W Gary Hart's withdrawal from the Democratic presidential race has left the field to candidates described by major publications. front-runner went home to Troublesome Gulch, Colorado, Democratic prospects for 1988 took what could be a fateful turn toward disarray, regionalism and divisiveness.

The Hart scandal itself is not really the problem. Aside from a few cautions about candidate maturity, it will not linger. However. Republican chances of retaining the presidency have been bolstered by the way his withdrawal maximizes a number of well-established Democratic institutional weaknesses.

The first key, of course, lies in the Democrats' lack of alternative highmuch in U.S. electoral history to political selection did not meet the support the emergence of the next president from a group that magazines and newspapers have started dismissing as midgets. The public had the message even before it was sent. Polls among rank-and-file Democrats show that support for all seven lumped together lags behind the various no-answer categories such as "undecided" or "call back when I'm not watching TV."

This is unprecedented. Never in modern Democratic presidential nomination-seeking has support for so many contenders added up to so little. And by and large, American voters do seem to prefer a certain prior status in a chief executive. Mr. Hart earned his pre-eminence by emerging strongly in 1984's Dem-

test the field to candidates described by major publications as "the Seven Dwarfs," a new political reality is in the air. When the field to candidates described by major publications as "the Seven Dwarfs," a new political reality is in the air. When the field to candidates described by major Republican benefits. President George Bush and the Sen-ate Republican leader, Bob Dole of Kansas. Statistically, Mr. Hart was a

somebody. He had "stature." Which makes the comparative shortcoming of the seven remaining candidates important. For the most part, presidents elected during the 60-odd years since World War I have met two credentials criteria. Either they were prior vice presidents, prior national candidates or men seriously discussed for a national nomination four or eight years earlier, or they were already president. Just two exding, elected in 1920, and Jimmy Carter, elected in 1976. And if their

stature test, well, by most yardsticks, neither did their presidencies. All other relative unknowns and outsiders who talked or organized their way to a major party nomination went down to defeat, and most landslides. Aficionados will cherish the laundry list: James M. Cox in 1920, John W. Davis in 1924, Alfred Landon in 1936, Wendell Willkie in 1940, Barry Goldwater in 1964 and George McGovern in 1972.

The seven dwarfs now heigh-hoing through the Democratic forest -Governor Michael Dukakis of Massachusetts, the Reverend Jackson, Representative Richard Geohardt of ssouri. Senator Joseph R. Biden Jr. of Delaware, Senator Paul Simon of Illinois, Senator Albert Gore Jr. ation race with Walter of Tennessee and former Governor Mondale. By late April, just before Bruce Babbitt of Arizona - all easily he dropped out, polls put him far meet history's probable-loser litmus ahead among rank-and-file Demotest of being unknown (save for Mr.



'Not a heavyweight in the joint!

to take an atypical gamble.

ceptions come to mind; Warren Har- the stature test? New York's Gover- mary rolled around in early June, tions have been brokered - in 1920, ward Kennedy of Massachusetts.) chances ebbed accordingly.

So the first net effect of the Hart debacle is to eliminate the one Democratic contender with the requisite background and opinion poll lead over the two Republican hopefuls of established stature. In this new context, the two Republicans should be able to lead all declared Democratic contenders for the foreseeable future.

But it is more than that. If the Democrats on May 8 lost a man with a broad support base, they also lost somebody who might, absent his fatal flaws, have been able to sew up the nomination early. Relatively quick success is important. In the last quarter century or so, Democratic White House prospects have suffered markedly in the face of divisiveness

Since the mid-1960s the Democrats have been a termous national coalition unable to stand much fratricide and internal conflict - pre-

Jackson) and unproven. For voters to cisely what a drawn-out presidential put one in the White House would be nomination clash usually ensures. In past contests where contention was (The two Democrats who do meet still operative as the California prinor Mario Cuomo and Senator Ed- the Democrats' November victory

Next year's race looks like a textbook study in Democratic divisiveness. Analysts in both parties generally agree that it will be hard for any of the seven to leap to national preeminence in the nine months until the Feb. 8 Iowa caucuses. A Dukakis challenge to Mr. Biden on arms control or a Gephardt-Simon debate on agriculture will be lucky to make

page 37 with the lettuce ads.

If the current seven stay in the race, Iowa could be an inconclusive arena. Regionalism and fragmentation could take over - with Mr. Gephardt strong in the Midwest, Mr. Dukakis in the Northeast, Sam Nunn in the South and Mr. Jackson among blacks. If geographic splits do devel op, three or four middleweights could keep the fight going all the way to the

It is possible that a divided convention would draft someone like Mr. Cuomo, but not likely. History

suggests that brokered conventions turn to little-known compromise choices. Since World War I, only three divided Democratic conven-1924 and 1952 - and the resultant

Of course, the Republicans can blow it. Further Iran-contra revelations could drag Mr. Bush down, and even fuel a "throw-the-rascalsout" voter psychology that could undercut uninvolved Republicans. And the party could unwisely choose to ignore mounting evidence that the public favors a more centrist approach to politics in 1988, as well as a renewed emphasis on a positive role for government.

For the moment, Mr. Hart's withdrawal gives the Democrats major institutional problems. A gaggle of candidates evoke a Walt Disney movie, and the Republicans can once again contemplate an at least even chance of holding the White House.

The writer is publisher of the American Political Report, a biweekly newsletter. He contributed this comment to the Los Angeles Times.

Many Japanese Are Fascinated, Pro or Anti, by Faraway Jews

T OKYO — The Jews, it seems, are to blame. The Japanese are casting about for explanations for their country's current economic troubles, and this one — the Jews has drawn enough attention to make a best seller — 400,000 copies in a businessman who is chairman of 12 months — of a book entitled "If Tokyo's Jewish Community Center. You Understand the Jews, You Can

Understand the World.

books. "Ninety-nine percent of the tive terms applied to Jews remain in Japanese population doesn't know what Judaism or people of Jewish origin are," says Walter J. Citrin, Tokyo's Jewish Community Center.

"They just consider them foreigners."
Still, he is worried. "We feel the "International Jewish capitar" has been secretly battering Japan for years, writes the book's author, Masami Uno. The bribery indictment of anti-Semitism, he said.

A few foreigners believe that anti-

Most Japanese who buy conspiracy books probably have no notion that they present warmed-over versions of Nazi theories.

in 1976 and the rise of South Korea as Semitism is already here, and that the a competitor were part of the plot. And now comes the strong yen, which Mr. Uno tells us Jewish bankers have created to subvert and sub-

jugate the Japanese economy.

His book was so successful that last fall he brought out a sequel that of Illinois specialist on Japan, in a has sold 250,000 copies. Other Japa-nese authors have joined in with such works as "Miracles of the Torah Which Control the World," "Understanding the Protocols of the Elders of Zion" and "Make Money with Stocks Targeted by the Jews.

Such books are just part of a boom in Japanese interest in all things Jewish. A bookstore in Tokyo recently held a "Jewish fair" that assembled 150 titles on the subject. Most are positive, depicting Jews as dynamic models of success in business, the arts and human relations. The few Jews in Japan - they are estimated to number 1,000 - report no sense of personal danger despite

books are a new sign that nationalist extremism is rising. "Anti-Semitism has greater intellectual currency and respectability in Japan than in perhaps any other industrialized society," wrote David Goodman, a University recent letter to The New York Times. Japanese commentators tend to see the books as benign, a passing fad that shows how ignorant the Japanese re-

main of the outside world. "Japanese are being criticized from all over the world, and they want to know who is doing it and why," says a specialist in Jewish studies, Shichihei Yamamoto. There are also books alleging an American consumacy.

Jews have evoked fascination among Japanese intellectuals for decades. In the late 19th century, Japan was exposed to anti-Semitism in the flood of Western ideas it imported for modernization. "The Merchant of Venice" was the first Shakespeare play the anti-Semitic tone of some of the to be translated into Japanese. Pejora-

By John Burgess

nany Japanese-English dictionaries. In the 1930s the Japanese military concocted an idea to populate occupied Manchuria with up to a million European Jews seeking refuge from Nazism. The plan could have saved many lives. But its motivating factor seems to have been a belief that the newcomers would attract capital and learning from the United States.

There is evidence, too, of feelings of a special affinity. Perhaps it is due to perceptions that Jews have the same sense of purpose and group loyalty that the Japanese admire in themselves. Tiny religious sects have even sprung up preaching that the Japanese are one of the lost tribes of Israel. In Israel there is a forest named in

honor of Chiune Sugihara, a Japa-nese diplomat stationed in Lithuania during the war who ignored his government's regulations and issued visas that caabled an estimated 4,500 Jews to escape to Japan. As the war progressed, the Japa-

se interned some European Jews in a Shanghai ghetto but otherwise generally resisted demands by Nazi Germany for wholesale persecution. After the war some Japanese saw a spiritual brotherhood with the Jews

as victims of war. One side had Hiroshima; the other had Auschwitz. Anne Frank's story has always sounded a strong chord with the Japanese. In a recent two-week period. 35,000 of them paid the equivalent of \$2 or \$3 to see a Tokyo exhibit of

objects from the girl's life.
Proud of their "one-race society," the Japanese are forever treading unaware on the toes of other people's ethnic pride. Japanese television frequently depicts Africans as amusing savages. Many Japanese still cannot

hiro Nakasone's comment last year about blacks and Hispanies lowering the U.S. educational level caused such a fuss across the Pacific. Most Japanese who buy conspiracy books probably have no notion that they present warmed-over versions of theories that the Nazis used to justify

the murder of millions. Many might think twice if they knew how abhorrent the ideas are considered oversess "People buy the books thinking it will give them an international out-look," says Akira Mizagachi of the Middle East Institute of Japan. "Unfortunately, it makes a strong impression on those with little knowledg

Ironically, the Jews depicted in the books strongly resemble the stereotypical denizens of "Japan Inc." - rich. treacherous, manipulating, secretly

lumnious rumors have been spread,

King in intimate conversation with one of the maids in the palace and had shot the maid dead with a revolver. These rumors reached the ears of the Court dignituries, who held a long conference [on May 20]. It was decided to inform the King of the rumors.

His Majesty was greatly shocked and manifested profound indignation, and he at once informed the Oueen. The King determined to defend his private life, resolved to appeal to the Courts to put a stop to the statements, and M. Holvoet, the Public Prosecutor, was called to the palace

kind to control the world. Jewish leaders in Japan are trying to bring foreign pressure to bear on the issue. In Washington, members of the Anti-Defamation League of B'nai B'rīth bave met Ambassador Nobuo Matsunaga to express concern. Two members of the U.S. Congress recent-ly demanded that Mr. Nakasone take a stand against the books. In response, they got a letter from Ambassador Matsunaga affirming that Japan opposes discrimination but that it also upholds freedom of expression. For now. Mr. Citin of the Jewish center in Tokyo hopes that the issue

more it appears in the press here," he says, "the more books it sells." The Washington Post.

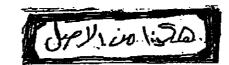
can be played down in Japan. The

IN OUR PAGES, 75 AND 50 YEARS AGO

1912: Rumors at Court 1937: Trade and War BRUSSELS — For several days ca- NEW YORK — Taking as his text

not only in Brussels but throughout the country, concerning the Belgian Sovereigns. The story in circulation was that the Queen had surprised the It is believed that the authors of the structive and cooperative commercial figure out why Prime Minister Yasu- rumors will be quickly discovered. policies such as will make for peace."

"the fallacy of economic nationalism," Assistant Secretary of State Francis B. Sayre, addressing world trade groups assembled here for National Foreign Trade Week, declared that, "One of the major root causes of war today is the blocking of foreign trade." He pointed to the need for two-way trade and the beneficial eflects of reciprocal trade agreements negotiated by the United States. "What is needed now in our country as well as in every other," Mr. Sayre said, "is the growing realization that if the world is to be saved from war, governments must resolutely resist policies of commercial isolation pressed upon them by selfish pressure groups intent upon their own gain, and must instead adopt con-



Page 7

Psychiatry Is Conscripted To Protect the Kremlin

By George F. Will

of modern politics that two of the most intellectually primitive regimes have considered themselves servants of science. In 1934, Rudolph Hess said: "National Socialism is nothing but applied biology." The Soviet regime applies "scientific socialism," within which psychiatry has a special place, as Dr. Anatoli Koryagin can testify.

Dr. Koryagin, 48, was recently re-leased to the West from a prison camp where he served six years of a 14-year sentence for the usual offense, "anti-Soviet activities," which included get-ting out to the West an article about Soviet abuses of psychiatry. Such abuses are as old as the Soviet regime.

Historian Paul Johnson notes that in 1919 the Moscow Revolutionary Tribu-

Dissident behavior must be biologically based and is thus treatable with drugs.

nal sentenced an anti-Communist leader to treatment in a sanatorium. In the 1930s, the secret police built a 400-bed penal hospital (two words perversely joined in Communist societies) on the grounds of a mental hospital. In the 1940s, the leading Soviet research institution for criminal psychology had a department for "political" cases.

Dr. Koryagin says that since 1977 the number of psychiatric "hospitals" in which dissidents are imprisoned with the criminally insane has grown from 11 to 16. And "glasnost" has not involved the release of any dissident from

joining of kindred spirits. Neal Ascher- The transition to pure communism is not son, in the New York Review of Books, over because the state has not quite withsays German doctors were dazzled to cred away. But Soviet society is close discover that, under Hitler, medicine enough to scientific perfection that menwas "the central intellectual resource of tal disorders, including persistent dissent the New Order." Doctors practiced must be biologically based and hence "biological soldiering," perfecting the treatable with drugs, at least theoretically, race by killing the unfit and using them

A perennial question about the Soviet for "research" to benefit the master race. And in the Soviet Union, psychiatry, a less settled science than biology, has

a fractious committee — ego, id and libido — there has been "scientific" doubt about the importance of reason in people who are really mentally ill are the individual's life. Freud, a semi-mate-confined until cured, dissidents have

Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.

WASHINGTON — It is a paradox rialist, believed in the body and "consciousness," a passive ghost in the machine. His intimation was that civilization is a misfortune because neuroses result from maladjustments to the unyielding reality of modern society.

But Marxists hold that anything will yield to their "science" backed by force. They fancy themselves architects of so-cieties so well-designed that they cannot be sources of discontent. Khrushchev said in Pravda in 1959 about people "who might start calling for opposition" to communism: "Clearly the mental state of such people is not normal."

Psychiatry, with its expanding arsenal of drugs, can be abused as a brutal instrument of social control. And the official Soviet premise, that only the psychologically disabled could fail to love socialism, enlists psychiatry as a rationalization for the regime.

In the West, neurological discoveries and pharmacological sophistication are confirming this much of a materialist thesis: Mental illness often is biologically based, as in brain chemistry. This of course does not confirm or even support the Soviet premise that mental disorders of Soviet citizens must be biologically based because Soviet society is too advanced to be a source of suffering for Homo Sovieticus, the new Soviet man manufactured for communism. Howev er, what is known about the biological basis of mental disorders is distress useful to totalitarians who believe that there is no intractable tension between human nature and society because both are infinitely malleable under the forceful application of this or that science.

Technically speaking (scientific socialists love speaking technically), the Soviet a psychiatric "hospital."

Union is, 70 years after the Revolution,
The 1939 Nazi-Soviet pact truly was a

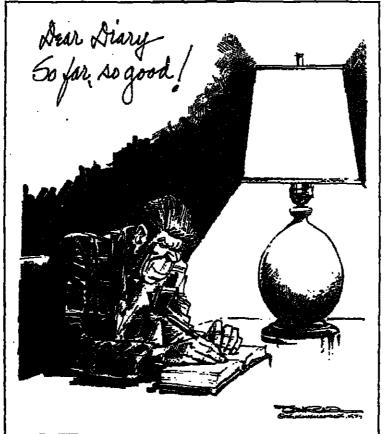
still in the Glorious Transition Period.

regime is: Does it believe and act on its ideological inaníties? A reasonable conclusion is that its mind is a strange alloy been conscripted by the regime.

Since Freud postulated that the self is stresses the cynicism, and cites a telling a fractious committee — ego, id and detail about the continement of dissidents in psychiatric hospitals: Whereas been given fixed sentences.

The regime has elastic standards on deviant behavior. When Dr. Koryagin's 9-year-old son received a severe concussion from a beating (all members of the family were beaten at various times in the street), a court held that it was a "natural" expression of public feeling against an anti-Soviet family.

Washington Post Writers Group.



The American Way Is to Rise by Degrees

WILMINGTON, Delaware — When Mark Twain was given an honorary degree by Oxford University in 1907 was so pleased that he devoted a chapter in his autobiography to the subject. He wrote that "an Oxford decoration is a higher distinction than is conferrable by any other university on either side of the ocean and is worth twenty-live of any other, whether foreign or domestic." He added that it had long been "an annual pain to me to see our universities confer an aggregate of two hundred and fifty honorary degrees upon persons of small and temporary consequence - and never a degree offered to me."

Well, things have changed greatly in 80 years. Were Twain alive today he would be swamped with offers of honorary degrees, because American colleges and universities will award about 8,000 this spring, most going to folks far less distinguished than the humorist from Missouri.

This multitude of honorary degrees puzzles many Europeans, particularly the British, who are somewhat amused by the spectacle of so much academic grandeur. They sometimes ask visitors seem to want to become doctors of law,

There are two basic reasons. Twain noted one in his autobiography when he wrote of his "childish delight in a new By P.J. Wingate

degree." It is the rare man who is satisfied that the swath he cuts in society is as

wide and gaudy as it should be. (It should be noted that although Twain suggested in his autobiography that Oxford had given him his first honorary degree, he already had four: two from Yale, one from the University of Missouri and one from Johns Hopkins.)

The second reason lies in the Constitution of the United States. Article L

MEANWHILE

Section 9 declares: "No title of nobility shall be granted by the United States: and no person holding any office of profit or trust under them, shall, without the consent of the Congress, accept of any present, emolument, office, or title, of any kind whatever, from any king. prince, or foreign state."

That puts an American at a distinct disadvantage. His English cousin, if he from America why all their compatriots hasn't been born a prince, duke, earl or count, can always hope to be made one. Or at least to be made a Knight of the Realm, which allows him to put Sir in front of his name. Sir ranks as far above doctor in prestige as an elephant does

cherishes even an O.B.E. (Order of the British Empire) far more than he would a string of such honorary degrees as LL.D, Ph.D. or Litt.D. On the Continent, the poor American is at an even greater disadvantage. Although kings, princes, grand dukes and

above a cockroach. An Englishman

the like no longer hold sway in most European nations, the titles linger on and, in the eyes of the owners, at least, add a hister that two dozen honorary degrees could not match. Even the tiny principality of Lichtenstein, which on a clear day can be seen in its entirery from the grand duke's castle, had by a recent count no fewer than 13 princes and princesses. Some are always out of the country, working as advertising executives or head waiters in chic restaurants, but wherever they go they take their titles with them, ready for display on suitable occasions.

So when the Constitution was framed in 1787, and forever removed all hope that an American could become a duke or even a sir, men turned to other things. They became Kentucky colonels, admirals in the Nebraska Navy, high potentates of the local secret lodge or the Grand Dragon of the Ku Klux Klan, until such things began to take on a comic significance. Then it began to dawn on the citizenry that "doctor" was an honorable and dignified title, and the annual number of honorary degrees rose from the 250 noted by Twain in 1907 to the about 8,000 that have been the average for the past 20 years.

Contrary to what the British may suggest, this has not meant an honorary degree for every American. For one thing, there are about 250 million Americans now, and a few have had more. than their share. Herbert Hoover was awarded 86 honorary degrees, according to biographer Richard Smith, although others have credited him with more. But Hoover has been far surpassed in recent years by Father Theodore Hesburgh, president of Notre Dame University. He has III, with the count rising. Even Bob Hope may overtake Hoover, since at a recent count the comedian had 60 and was still in high demand on campuses.

Women were late to the race, with: only a handful having been honored by 1900, but they have moved up fast in ; recent years. As of April, former Senator Margaret Chase Smith of Maine was the leader, with 90. Sandra Day O'Connor ! received 22 offers of degrees the first year after she became a Supreme Court; Justice, but accepted only five.

A few Americans have rejected them all. H.L. Mencken, after spurning 23 offers, explained that "no decent man would accept a degree he hadn't earned. Honorary degrees are for cor-poration presidents, bishops, real estate agents, presidents of the United States and other such riff-raff."

The writer is vice-chairman of the Board of Trustees of Washington College in Chestersown. Maryland, and a member of its honorary degrees committee. He contributed this to the International Herald Tribune.

LETTERS TO THE EDITOR

About the Buthelezi Option Regarding "Buthelezi Gives Botha an

Option" (May 4) by Jim Hoagland: While it is true that Chief Mangosuthu Buthelezi is a force to be reckoned with in the restructuring of post-apartheid society in South Africa, he is not the only one. And before the West em-braces Chief Buthelezi and his policies,

two things should be understood. A common attitude in the West toward opposition forces in South Africa is that one should be wary of them if they are linked to violence. This is the stock argument used against the African National Congress. But Chief Buthelezi's condemnation of violence must be judged in the light of the persistent violence of his Inkatha vigilantes. Before anyone advocates the Buthelezi option, the record of the chief's involvement in violence must be made clear.

Secondly, Chief Buthelezi's policies,

as shown by his KwaZulu/Natal proposals, are unacceptable if meaningful change is to come in South Africa. Those policies include the protection of minority rights without equality based on one man, one vote. This preserves the essential mechanism of present inequalities. Protection of minority rights sounds good at first blush, but not when accomplished at the cost of representative democracy. The question must be asked, how different is protecting minority rights under the Buthelezi formula from

the present structure of apartheid?

As Mr. Hoagland concludes, the 1983 onstitution is detestable, and Nelson Mandela must be released. And yes, even Chief Buthelezi must be reckoned with — but in the right context.

DAVID E. SATOLA.

Some of Us Don't Laugh

Major General Richard V. Secord is quite wrong to think that the whole world laughing at the United States for its public investigation of the Iran-contra affair. On the contrary, what I and others perceive is a healthy democracy at work. In what other country can the elected representatives of the people bring the governing administration to heel for trying to deceive and bypass them? Would that it were so here in Britain.

MARCUS GIAQUINTO.

British Defense Policy

Although I have received a number of letters from readers complimenting me on my dissenting appraisal (Letters, April 16) of the British Labor Party's defense policies, I crave your courtesy to respond to critical responses (April 27) from Mike Gapes of London and Ben Lane of Sollentuna, Sweden.

Mr. Gapes has clearly not read the third paragraph of my own contribution, in which I pointed out that there is all the difference in the world between a

member state of NATO that has never had nuclear weapons on its soil, nor been asked to have them within an accepted NATO strategy of comprehen-sive overall defense, and, on the other hand, the sudden unilateral withdrawal from its share in that strategy by a country - the United Kingdom - which in accord with the 1979 dual track decision, agreed to have some intermediaterange nuclear weapons on its soil.

The statement that "the British government chooses this moment to engage in a massive increase in the capability of its strategic arsenal" is unfounded. The Trident program approved by Parlia-ment in 1980 is an updating and reinforcing of our existing sovereign nuclear deterrent capacity. It has nothing to do with the intermediate nuclear weapons which the Russians and Americans are now discussing, and it follows along exactly the same lines as those adopted by previous governments since the last

war - Labor as well as Conservative. As for the accusation that implements tion of the Trident program will mean big cuts in the British Army, Navy and Air Force contribution to NATO, this is no less absurd. Not even the harshest opponents of Trident can truthfully assert that its implementation will cost more than 3 percent of the total defense budget. If Labor promises to replace our deterrent by an increase in conventional forces which could have any meaning at all, we should instead have to meet at least douing to speak for the people of Sweden, I must say that the inhabitants of that friendly nation really are the least wellqualified to tell anyone else how to defend themselves. Sweden's traditional armed neutrality is a matter of decision by their government and their country. which we must all respect. Yet it remains a fact that it is only because of the defense efforts and sacrifice of others that Sweden has survived two world wars in peace and freedom and with the comparative security which it now enjoys. And Chemobyl has shown that today the maintenance of peace, freedom and security for all of us in Western Europe is inescapably a concern for all.

As regards Mr. Lane, if he is purport-

Sir FREDERIC BENNETT, M.P., Vice-President Western European Union Assembly.

Guerrillas or Terrorists?

I was surprised to find you describing IRA terrorists as "guerrillas" in the report "8 IRA Dead Are Mourned by Marchers" (May 11). These are the people who creep about at night shooting defenseless men and women, old and young alike, and set off bombs in cases and pubs. These are the people who have allied themselves with Moammar Gadhafi because he has promised them money, arms and explosives for their terrorism.

L.E. ALLWOOD. Le Château d'Oléron, France.

GENERAL NEWS

SUPER: In Research, Japan Promotes Coordination

(Continued from Page 1)

He gave it to a graduate student in physics, who had approached him and asked for permission to try it out in the lab "and make a joke of

The student, Hidenori Takagi, 26, found it was no joke at all. On Nov. 13, he and another student found signs of reduced magnetism in the material they were making, a sign that the paper's findings were

uto.
"I was astonished, deeply
"Takari recalled, "I moved," Mr. Takagi recalled. doubt I'll ever have such a feeling again." He reported his findings to a professor, who told him to buy a pottle for a celebratory toast. A half-dozen researchers raised glass-

Since then, the lab has been extremely busy. Mr. Chiba and other researchers often spend the night there. "At the very busiest times, I'm not really sure where my home

The university's announcement that it had confirmed the IBM study had touched off a frantic wave of research. The giants of the Japanese electrical industry joined with personnel and money.

"We didn't have to apply the whip," said Minami Ichikawa, a ministry superconductor specialist.

Estimates of 100 Japanese labs in the race are heard. Many, however,

"The companies were off and run- are doing work that simply tries to duplicate others' accomplishments. aside, believing the reported find-one of the groups formed to co-Discoveries have come rapidly.

ordinate the research, the Science On April 2, Toshiba announced it and Technology Agency's super- had fashioned a superconducting conductor committee, has more wire that worked at 93.7 degrees than 100 member organizations. It Kelvin, or minus 179.8 degrees cenis holding public symposiums and tigrade. The Kelvin scale is based closed-door meetings between specialists, the first time the agency lecular motion stops. Zero on the has tried to organize private com- Kelvin scale is minus 273 degrees

panies this way.

Mr. Chiba said that the group might eventually agree to divide the Corp. said it had found a material research, perhaps with the government focusing on basic research would carry larger currents than and companies on commercial de-

A second committee, run by Ministry of International Trade and industry, is smaller and less visible. More than 20 senior researchers from companies and govmment laboratories belong.

It has met formally only once since April A smaller working group has convened four times. The group keeps the ministry informed and exposes top research-ers in Japan to a few of their competitors' secrets.

"We try to get the researchers to out a little bit of distance between themselves and their companies and to bring in the results of their studies," said Hirokazu Nakaima, a

The IHT's Paris Conference:

CENTENH'L By Julian Nundy Take a generous helping

of monetary stability. Throw in a dash of business conducted by execu-On April 7, Mitsubishi Electric rives using lap-top computers on beaches in Tahiti. Relay the mixture by instantaneous world-wide telecommunications and The April edition of the Englishpay for it all with plastic.

language Japanese Journal of Applied Physics carried 84 articles on Then add to it, accordsuperconductivity. Several public ing to taste, Turkish desires to join the European conferences in Tokyo have become the same sellouts seen at similar Community and/or a soup-U.S. events. con of glasnest and you In the long run, Japan's aphave at least one version of proach to superconductor develop-ment could be heavily influenced the "globalization" cocktail presented at the Interby an attitude common in Japanese society: While competition is benational Herald Tribune's lieved to be good, harmony, stabil-Centennial Conference in

Paris.

Singapore.

The April 13-15 confer-

ence, held to help mark the

ity and predictability are seen as equally desirable.

As of last year, the government was overseeing 427 cartels, ranging from major industries in decline, such as aluminum, to barber shops, where the government establishes a minimum price for a haircut. Japan has antitrust laws, mostly

centigrade.

previous materials

put in place during the U.S. occupation after World War II. But they are enforced less vigorously than those of the United States. Laws for promotion of specific industries often give antitrust exemptions. Japanese offer their supercon-

their companies excel without government guidance. Japan has historically borrowed foreign technology, they say, but this time may be "In the United States, it is Bell Labs and IBM, the premier labs,

ductor achievements as proof that

that are working on superconduc-tors," said Michihiko Nagumo, a Nippon Steel Corp. research director handling the materials. "It is an bonor to be competing with them." Many Japanese believe that even if they lose in the basic research,

cialize the discoveries. Japan's list of achievements is daunting: the videocassette record-

they can come from behind in a

secret police. Savak, during the pan has been able to accomplish



Around the World in 80 Ideas

A Centennial Message from the International Herald Tribune

NOTES ON A CENTURY



Elizabeth Dole, U.S. Secretary of Transportation, and Alain Juppé, Budget Minister of France, chatted between speeches with Lee Huebner, IHT publisher.

ports and direct more production to improving their own living standards. But several speakers also pointed out that Japan's success in exports has been due to Japanese excellence, nor

100th anniversary of the newspaper's founding in st to cheap yen. Paris, brought together One speaker explained well-known men and womthe need for "democratizaen in politics, economics, tion" in his country accombusiness, scholarship and panied by changes in the diplomacy to discuss issues law to "strengthen citizens" raised by the theme "New rights" and give them more opportunities for pri-Interdependence, New Competitiveness: Managvate enterprise. He was Viing a Global Transition. taly Zhurkov, deputy director of the USA and Canada A similar conference is to be held in November in Institute of the Soviet Academy of Sciences. His glimpse of how Mikhail S. Gorbachev's glasnost or openness policy as present-

Sir Michael Palliser, for-

Prominent among the three dozen speakers were Elizabeth H. Dole, the U.S. transportation secretary, ed to foreign audiences was and Alain Juppé, budger followed by a series of critiminister of France. Both cal questions from the vigorously extolled the floor, none of which apgolden opportunities for peared to perturb the governments to do less speaker. and thereby better.

mer senior British diplo-Toyoo Gyohten, vice-finance minister for internamar and current chairman of Samuel Montagu, said tional affairs in Japan, hintthat Western leaders ed that his country could should encourage Moscow become the "turntable for along its apparent path of capital for developing countries" as part of larger reform under the new Soviinternational efforts to et leadership. But Europe's stimulate wider world sometimes controversial economic dealings with the growth. Chikao Tsukuda. Soviet Union are conof Japan's Industrial Policy Research Institute, predictstrained, one speaker said, by Soviet factories' inabiled that Japanese gradually

will try to rely less on ex- ity to produce marketable safer and, perhaps, fairer goods to trade with the West. The speaker. Etienne Davignon, former EC Commissioner, added that Europe's trade with the Soviet Union will continue sparking more political heat than economic

During a time when news of the fortunes of the dollar and the prospects of a nuclear arms accord in Europe were much to the fore, echoes of these topics were in plentiful supply at the IHT conference.

Karl Otto Pöhl, president of the Deutsche Bundesbank, talked directly about the need for a stable international monetary order. Helmut Schmidt, former Chancellor of West Germany, lamented that the world's major currency, the dollar, was a "yo-yo" and made a plea for a coordinated European defense system that would rely on conventional weapons instead of nuclear deterrence.

A major focus throughout the three days was how to cross national and regional barriers to mold the future, exploiting technological advances to make the world a more competitive single market commercially - and render it a

place.

Hideo Matsumura, of Nomura Securities, cited steps in Tokyo to attract foreign companies into the Japanese stock exchange and into his country's telecommunications market. Several corporate leaders

argued that rechnological

advance often counts less in success than a company's ability to meet local consumer tastes and to maintain a reputation for quality. Russell Hogg of MasterCard International said that his company's marketing — notably the risky gamble of distributing millions of cards almost indiscriminately to launch the product — had done more than any technological innovation to wear people from checks to credit cards. Ebel Watches' managing director, Jean-Marc Jacot, said wristwatches today are considered almost as apparel. valued for design and image, much less for technoogical extras.

Quality was stressed by managers from sectors as different as fine luggage and banking. Louis Vuit-ton, said chief executive Henry Racamier, exports "European lifestyles" into an expanding world market for luxury goods. Banking year.

still relies on quality, said the president of Swiss Bank Corporation, Walter G. Frehner. Deregulation and rapid technologies are creating a wave of "linancial supermarkets" offering a wide variety of banking and stock-broking services. But these supermarkets often standardize products: a universal bank such as Swiss Bank Corporation keeps customers by its discriminating service.

Alongside these reminders about traditional industrial values, R.W. Sturm, of AT&T, noted that the powerful combination of computers and telecommunications is creating 'global corporations" with a single management system worldwide. A successful global corporation functions as a network with each of its companies operating autonomously in its markets while coordinating its work constantly with the rest of the group.

The process, it appeared, is an example of a trend called "globalization."

Globalization? John Ashworth, vice chancellor of Britain's Salford University, who holds the not always popular view that educational institutions should strive for efficiency just as businesses do, bridled at the word. Acknowledging that the concept was almost certainly here to stay, he told the conference that he found the word ugly and cumbersome. And he made a plea for someone to come up with an alternative before "globalization" makes it into our daily vocabulary. Any offers?

This is the sixteenth in a

series of messages about the IHT which will appear throughout the Centennial

Alice Sheldon, 71, an Author Of Science Fiction, Kills Self

Washington Post Service don, 71, who wrote science fiction fiction to emerge in the "70s" and as under the pen name of James Tip- someone who "stunned the comtree Jr., shot and killed her ailing munity when it was revealed that husband and then herself in he was a she, Dr. Alice Sheldon of McLean, Virginia, on Wednesday, McLean, Virginia." the police said.

her husband, Huntington Sheldon, 84, a former analyst for the Central Intelligence Agency, were discovered Tuesday in their bedroom expertise on guns. with bullet wounds in their heads, the police said.

"She left notes indicating she was going to do it," said Robert F. Horan Jr., a state's attorney. "Evidently there was some sort of pact between them. It appears that her husband's health was increasingly becoming more difficult for him." Friends said Mrs. Sheldon suf-

fered from depression and medical problems. Mr. Sheldon was bedrid-Her books include "The Women Men Don't Sec," "The Screwily Sohition" and "Love Is the Plan, the

The writer Robert Silverberg The bodies of Mrs. Sheldon and said he had been convinced that er husband, Huntington Sheldon, Tiptree's books could have been written only by a man because of the style and experiences, including

> the air force under President Eisen- more important race - to commerhower, of cancer Sunday in Hous-

> Frederick A. Pottle, 89, Sterling Yale University and for more than sion, electrical generators, machine Yale University and to intellectual force tools and broadcast equipment.
>
> A researcher, Kishida Junnobehind the editing and publication of the journals of James Boswell, Saturday in New Haven, Connecticut, after a long illness.

Post last year, she was described as WASHINGTON - Alice Shel- one of "the finest writers of short

> Other deaths: Dudley C. Sharp, 82, secretary of

Professor Emerius of English at er, the transistor, the color televi-

suke, has written that, "By concentrating on the development of consumer technology and not wasting General Hussein Fardoust, for-mer assistant chief of the Iran's brains on military technology, Jashah's era, Monday in Tehran of a more than other industrialized na-

SCIENCE

Power, Sex and Self-Destruction







People who came to grief, from left: The TV evangelist Jim Bakker (shown with his wife Tammy); the presidential candidate Gary Hart; and President Richard M. Nixon.

By Daniel Goleman

New York Times Service T HE drives that lead powerful men to self-destructive sexual encounters have little to do with other mental health experts.

Instead, they cite an explosive psychic combination of unhealthy narcissism and a grandiose sense that normal rules do not apply to oneself. At work are the narcissist's desperate need to prove himself and, paradoxically, a deep urge for

No one can say from afar what motivates a given public figure; psychotherapists cannot diagnose at a distance. And a single incident in a person's life - no matter how notorious or consequential it becomes - may not indicate a lifelong pattern in personality.

Still, many experts see patterns in the well-publicized difficulties of Gary Hart, whose presidential campaign ended amid allegations womanizing," and Jim Bakker, the television evangelist who left his pulpit after an adulterous affair.

cretions is, no doubt, partly due to the opportunities for dalliance that power and fame bring "Some women love to be involved with men of power; it's a mutual seduction, "said Judd Marmor, a psycho-anglys is London Marmor, a psychoanalyst in Los Angeles. "The trou- chairman of the department of psyble begins, though, when that is chiatry at the medical school at the combined with the arrogance of University of California at Los Anpower, the feeling that the rules are geles. "He had a self-deceptive made for other people, not for one-

debacles like the Iran-contra scandal or Watergate.

the spirit that takes place when you are surrounded by admiring throngs, when the red carpet is laid out for you," said Dr. Marmor. "Unless you are aware of the blinding effect the adulation can have, your judgment can be impaired so that you begin to feel that you are immune to normal limits and penalties. You see it in Gary Hart, and you see it, too, in the arrogance that lies behind Irangate."

Ann F. Lewis, national director of Americans for Democratic Action and former director of the Democratic National Committee, said: "From the moment you enter the world of a presidential campaign, the normal rules no longer seem to apply. You're in a vacuumsealed universe where everyday concerns no longer exist. It's easy to forget the rules of the real world. But they are neither expired nor suspended - they're waiting for you right outside the door."

place, particularly for the character type known to psychoanalysts as the narcissist.

"There is a terrific seduction of

President Kennedy also transgressed but was not pilloried. is the natural companion of true scious need to fail was noted by accomplishment. Indeed, a certain Freud, who said men who mined degree of healthy narcissism is their own success were commonly thought to be a prerequisite to suc- seen in psychoanalysis. cess in politics, as in other fields. But the pathological form of nar- you are unable to believe the apcissism impels people to achieve for plause," Dr. Michels said. "You neurotic reasons.

The sexual nature of the indisof the appeals of power in the first

"Hart wanted to feel he led a sense of invulnerability; he seemed to believe he would not be found Psychologists say the syndrome Out, no matter the risks he took."

"If your self-esteem is so fragile,

feel guilty and conflicted about the

People who seem to undermine

about," said Mardi Horowitz, a

"Most of us get enough sense of praise, because you don't believe self-worth in childhood that we you deserve it. Such people vacil-

don't need to rely on constant late between a sense of undeserved

praise from others for it," said success and a feeling of worthless-

Robert Michels, chairman of the ness. When they finally achieve a

department of psychiatry at Cor-nell University Medical College. even undermine it. Their success is

of being unloved, then you can go it the seeds of defeat."

through life like a child forever

But if as a child you have a sense destroyed because it had built into

Such people may invite discovthe University of Pennsylvania, fore." One political analyst said he felt Dr. West of UCLA said: "There Hart's problems resulted from is a special meaning to sexual indiscy" — both wanting it and not tial candidate, or a minister, for wanting it, as Hart himself has said that matter. Why are we preoccu-

sist — and it often dooms their family so threatened and fragmentrelationships - is a preoccupation ed today, we want our least with their own gratification, in reassure us that the ideal is still combination with a lack of regard viable. We want them to symbolize for how others feel.

can do no wrong, and should be destroyed our idealized image of allowed to do whatever they want," said David Spiegel, a psychiatrist at Stanford University Medical destroyed our idealized image of the family." School,

that would lead the public to react small children whose parent lets strongly to transgressions that them down." would have been forgiven in less Bill Hamilton, a political consulelevated figures - or in an earlier tant at Hamilton, Frederick &

seeking love and approval; you themselves may have "many strong need to have praise simply to feel motives that they do not know were well known by their immedi- between them and nuclear war, ate circle and even by some mem- economic instability, world tar-Closely linked to the striving for psychiatrist at the medical school can lead to other kinds of abuses of There is a healthy variety of nar- achievement in unhealthy narcis- at the University of California at bers of the press. But things have moil. They want to know the guy is power unrelated to sex — even to cissism, a feeling of excellence that sism is a need to fail. The uncon- San Francisco. "And they often changed since then. Some experts solid and knows himself."

don't know what their unconscious point to changes in the stams of moral standards are. They get women since the early 1960. Oththemselves in trouble as punishment for having gotten something over the president's role in the fate
that, deep down, they do not feel of the world.

"Now, more than ever in history,

"Now, more than ever in history, our personal welfare depends on ery. "The circumstances of Hart the moral fiber and judgment of the being found out and of Nixon taping the conversations that undid a psychiatrist at UCLA, who has him both suggest people who, at made a study of the presidency some level, want to be caught," said through history. "That makes us Lester Luborsky, a psychologist at more critical of that fiber than be-

ambivalence about the presiden- cretions in someone like a presiden-- "rather than a political death pied with the old-fashioned image of an ultra-pure, loving couple Another hallmark of the narcis- the Harts or the Bakkers? With the that for us. When they don't, we "Such people come to feel they feel a betrayal, because they have

saying: "He's supposed to be pure, The psychological experts sug-monogamous, fatherly. If he begested that there may be factors trays that ideal, we're outraged, like

Schneiders in Washington, agreed. For example, the extramarital "People cannot forgive things in sexual encounters of John F. Kenthe president they would in a governedy and Martin Luther King Jr. ernor," he said. "He's the last man

IN BRIEF

Nitrous Oxide Depletion Is Reported

BALTIMORE (NYT) - Radio observations in Antarctica have revealed another "hole" in a chemical of the stratosphere, deepening the mystery of what happens there in the spring. The "hole" that has been of primary concern is in the ozone layer that protects the Earth from damaging ultraviolet solar rays. In recent years, scientists have documented a marked seasonal decline in ozone over Antarctica. Now,

scientists also report a mysterious seasonal gap in nitrous oxide.

While the temporary decline in nitrous oxide is not believed to pose any direct danger, it is probably linked to the ozone fluctuations, scientists said. The almost total absence of nitrons oxide last spring was "very strange," said Dr. Robert L. de Zafra of the State University of New York at Stony Brook, who took part in observations at McMurdo Sound, Antarctica. "It does not follow anything we know. And we are rock sure of our data." The findings were described here at the spring meeting of the American Geophysical Union.

Nitrous oxide is constantly being formed, chiefly by biological activity, and normally is diminished only gradually by a variety of chemical reactions in the stratosphere. It is usually spread uniformly from pole to pole. Yet the nitrous oxide findings underscored the continuing lack of knowledge. The role of mitrous oxide is unclear since the gas is thought to be involved in chemical reactions that both generate and deplete ozone.

Cancer Virus Linked to Drug Users

NEW YORK (NYT) - Scientists of the National Cancer Institute have found a surprisingly high prevalence of a rare cancer-causing virus, HTLV-1, in drug abusers tested in New Orleans and six New Jersey cities.

"Physicians in these regions should be alert to the possibility of adult T-cell leukemia-lymphoma syndrome, a malignancy with an often explosive clinical course," the scientists said in a stummary of their report,

presented at a cancer research meeting in Atlanta.

The virus can cause leukemia and related blood cancers as well as damage to the central nervous system. Shortly after its discovery in 1980 in a region of southern Japan, where it was linked to an unusual incidence temia, the virus was discovered in some people of African ancestry in the Caribbean basin and then in the southeastern United States.

New Drug Aids Schizophrenics

CHICAGO (AP) — A new drug that has been shown to help one-third of previously untreatable schizophrenics with irreversible brain damage may offer insight into the causes of the disease, researchers say.

Although the drug has a potentially fatal side effect, it is the first to show improvements in patients whose brain damage suggested they were beyond the help of drugs, said Dr. Herbert Meltzer of Case Western Reserve University in Cleveland, one of the directors of a new study of

"I would predict within three to five years we'll have a safer version of this drug and we'll know more about schizophrenia," Dr. Meltzer said at the annual meeting of the American Psychiatric Association. He and his colleague, Dr. John Kane of Long Island Jewish Hospital in New York, reported that about 30 percent of the estimated 300,000 Americans with untreatable schizophrenia improve with the drug, clozapine. This is the first time in the history of these drugs that any one anti-psychotic drug has been shown to be superior to any of the others," Dr. Meltzer said.

Americans Found Careless About Sun

WASHINGTON (UPI) - Two-thirds of Americans are aware that too much sun can lead to skin cancer, yet many sunbathe without a sunscreen and some have increased the time they spend soaking up rays, a survey for the American Academies of Dermatology and Pediatrics shows.

Of 1,138 teenagers and adults surveyed, 21 percent said they were sunbathers. Of the sunbathers, 79 percent said they were concerned that exposure to sun can lead to skin cancer, or melanoma, and 73 percent are concerned about premature skin aging. But 24 percent of the sunbathers said they were spending more time in the sun than they did several years ago, and only 36 percent of those surveyed had used a tanning or sunscreen product in the previous four months.

The academies said a third of all cancers are skin cancers and that exposure to similight is responsible for 90 percent of skin cancers.



NEW ISSUE

OCTOBER, 1986



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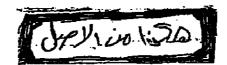
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Norway: Political Stakes

IN THE NEWS

June 18, 1986: Austerity Introduced by Brundtland

The parliament approves a \$426 million austerity package in the first major test of the Labor government of Prime Minister Gro Harlem Brundtland. The final package included Norway's biggest public spending cuts since World War II but the government failed to gain support for a 2 percent increase in personal income taxes that would have netted an extra \$40 million

Aug. 22: Oil Companies Get a Tax Break

Finance Minister Gunnar Berge announces a 25 percent cut in the tax burden on companies producing oil and gas from its offshore fields. The measures are aimed at keeping foreign oil companies interested in Norwegian activities despite low oil prices. The reforms are expected to cost the gov-ernment about 2.4 billion kroner (\$363 million) between 1987 and 1990.

Dec. 2: France Agrees To Join Gas Project:

France approves its part of an agreement to buy natural gas from Norway after earlier threatening to pull out of the deal. Under the \$70 billion agreement, West Germany, the Netherlands, Belgium and France will finance the building of a pipeline from the North Sea to Belgium. Beginning in 1993, the four nations will be supplied gas for 27

Dec. 17: Revised Budget Passes Parliament Test

The government survives a parliamentary vote on its revised 1987 budget after reaching agreement with opposition parties on tax increases. The budget's approval represente the toughest test to date for the Brundtland government, with the economy still suffering from its heavy dependence on fall-

May 15: New Measures On Spending Proposed

The government sends its revised 1987 budget to parliament. It proposes increasing public expenditure by 2 billion kroner. which will be covered by trimining existing budget commitments and raising fees for several state services. A proposal to boost revenue by placing a turnover tax on trading in Norwegian stocks, to be divided equally between buyers and sellers, has met with sharp criticism from share dealers.

IN THIS DEDODT

Economic Pressures 10

The Norwegian economy is running at full steam, and this is not entirely happy news.

Computers

The computer revolution arrived later than in other European countries, enabling Norwegians to draw on the experience of others.

Oil Outlook

After a stormy year of volatile prices, uncertain plans for exploration and government changes, the oil industry is on a calmer course.

Touring Jotunheim 12

Norway's travel secret is the Jotunheim, or "home of the giants," a stunning combination of alpine peaks, glaciers, waterfalls and lakes.

Brundtland's Survival

Opposition Split Keeps Left in Power

By Per Egil Hegge

SLO — After one frustrating year in opposition, the Norwegian Conscr-vative Party is heading a make-or-break effort to topple Gro Harlem Brundtland's Labor government before the midsummer parliamentary recess. The trouble is that the Agrarian Center Party, one of the Conservatives' two former coalition partners,

is dragging its feet. And opinion polls show that most Norwe-gians share the prime minister's confident view that she will survive in office until the parliamentary elections in September 1989.

The impatience on the part of the Conservatives was very much in evidence during this month's national party conference. Their new leader, Rolf Presthus, demanded a change of

applause was strong — only to be followed by the familiar "yes, buts" from the Center Party.

The three-party coalition of the Conservatives, the Christian People's Party and the Center Party, held together from June 1983 until it fell in April last year. In the elections in 1985, the coalition lost its majority in the Storting, or parliament, and became dependent on the two votes of the maverick rightist

Progressive Party.
The Progressives, led by Norway's most telegenic politician, Carl L. Hagen, joined forces with their socialist enemies to defeat a modest austerity measure, and the government re-

signed.

Mrs. Brundtland took office and promptly reintroduced the austerity measure that she had voted against in order to bring down the government. For the last year, she has dominated Norway's political stage. She has also become an international figure of some stature. not only because she set a world record by naming a cabinet with eight women but also because she is head of the United Nations Commission for Environment and Development, which presented its report at the end of

The three former coalition partners will face a serious credibility problem if they prove imable to rejoin forces and present a government program designed to put them into office before the June recess, which lasts until Octo-

They proclaimed last year that the Labor government would stay in office for only a few months. But in December, the Center Party voted for the Labor government's economic proposals against their former Conservative partner. The former coalition thus seems, in-

creasingly, to be much like Humpty-Dumpty The question most foreigners ask is why Norway has a Labor government when there is

majority of non-socialists in parliament. The psychological part of the answer must be sought in the old animosity between the Conservatives and the Center Party, which until a generation ago was known as the Agrar-

The Conservatives were very much an urban crowd with hardly any following outside the cities, and the voters of the two parties have, up to now, reflected two highly differing lifestyles.

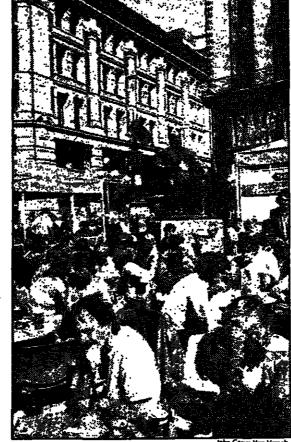
There are also regional differences of an almost Italian complexity. Locally, the Conservatives and the Center Party work well together in the western parts of Norway, while they

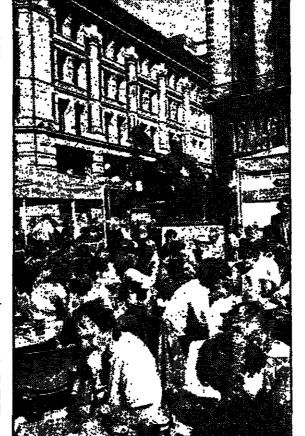
Continued on page 12



Gro Harlem Brundtland

Demographic changes have put increasing demands on the pension system.





The 'Two Welfare States' And a National Dilemma

By Kaare Hagen and Gudmund Hernes

SLO - In Norway, there is not one welfare state but two. The tension between them poses grave political challenges that are exacerbated by demographic changes and external shocks to the economy. If one of them, the welfare state for citizens, is to survive, the other, the welfare state for business, has to

Ordinarily, the welfare state is conceived of as state responsibil-ity for the well-being of its citizens. In Norway, the cornerstone of this system is the People's Pension Program of 1967, providing not only pensions and cash benelits during unemployment or disability, but also health insurance. An average salaried employee receives 100 percent of lost income in case of illness, 70 percent in old-age pension and 60 percent if

Its two salient features, universal coverage and income-related benefits (as well as contributions), are the chief explanations of the almost unanimous popular support for the social security to 90 percent in favor of maintaining or expanding the present arrangements. No government can ignore this consensus.

However, a proper view of Norwegian welfare policies must include the comprehensive set of welfare" arrangements developed in the postwar period in order to shield firms and their employees from the vagaries of international competition and business cycles.

To ensure full employment as well as continued settlement in rural areas, a large number of public transfer arrangements have been developed within a broad political consensus. By subsidizing marginal economic activities (including a guaranteed income for farmers), these two policy targets have been fused. Transfers to agriculture, fisheries and manufacturing amounted to 14 billion kroner (\$2.2 billion) in 1984, compared with 20 billion kroner for old age pensions the

The prominent role of public regulation and intervention, both

policy has beyond doubt been. in shaping the universalist wel-(are state and in subsidizing economic activities, is best understood as a historical compromise between a unified labor move-

For topographical reasons (waterfalls and minerals), Norwegian industry was to a large extent based in rural areas, with local communities heavily dependent on one or a few companies. The social democratic objective of maintaining employment in these traditional industries converged with conservative interests in preserving rural settlement. The combined threat of falling international industrial demand and increasing world agricultural supply has generated arguments in favor of institutional employ-

ment and rurally based bourgeois

This comprehensive welfare

successful. It has been based on, and has in turn buttressed, a na-

However, these policies have economic and political consequences that may now jeopardize 4. the institutional welfare model. Public transfers have frozen the industrial structure and tied manpower to the production of commodities with no or declining market potential, Secondly, an unintended effect is that marginal economic groups under the shelter of public transfers have developed organizations with a political muscle out of proportion to their economic significance. In fact, this is a highly rational response in a system where as much ... or more has been gained through bargaining and pressure on gov-

Continued on page 13 ...

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BANQUE INDOSUEZ. A WHOLE WORLD OF OPPORTUNITIES

Unemployment Rate Employment Growth Growth May Be Declining **After Spree by Consumers**

By Juris Kaza

SLO — Just as an inflationary consumption boom shows the first signs of easing, economists say steady energy prices are threatening to lull Norway into complacency about problems in the non-energy-related sectors of its economy. Oil prices have recovered and stabilized at around \$18-\$20 per barrel of oil. With a lower Norwegian kroner oil price, most revenues go to cover operating costs, but when the kroner price rises, the government is the beneficiary to the extent of 85 percent."

The bank economist pointed out that most reporting of Norway's North Sea production in terms of "equivalent have recovered and stabilized at around \$18-\$20 per barrel.

in recent months after the sharp fall last year.

"The Norwegian economy is still running at full steam," said Bjern Skogstad Aamo, undersecretary of state in the Ministry of Finance. He made it clear that this was not entirely happy news.

A boom that expanded private consumption 16 percent

in volume terms in the two-year period 1985-1986 is just starting to flatten out, and Mr. Aamo expects inflation in 1987 to hit 8 percent, somewhat higher than the 1986 rate of just over 7 percent. On a 12-month basis, inflation was touching 10 percent during the first quarter of 1987.

Economic growth in 1987 may slow to between 2.5

percent and 3 percent, including the energy sector, and 1 percent excluding energy, down from 3.8-percent growth (3.5 percent non-energy) in 1986, the France Ministry said. It added that "for years, we have had growth well above the European standard."

"Our most serious problem is prices and costs," said Mr. Aamo, an economic spokesman for Gro Harlem Brandt-land's minority Labor administration. "It takes time to cool down the economy."

had been renewed without wage increases, and that the government was making progress in cutting or stabilizing expenditures for subsidies to alling industries and social welfare. Norway's unemployment hovers around 1.5 percent to 2 percent, a figure economists consider the rock bottom in any modern industrial society.

"The 1987 wage agreement looks promising on the surface, but we had high increases last year," remarked Tor Bang, chief economist of Den norske Creditbank, Norway's largest commercial bank. "In addition to these national talks," he said, "you have had company-level surrements and wa've seen strong union a real factors." agreements, and we've seen strong unions press for considerable increases. Some have gotten 10 percent raises against the recommendations of both the trade union confederation and the employers' central negotiating orga-

Mr. Aamo said the government was narrowing its fore-cast of a current account deficit to around 30 billion kroner (\$4.51 billion) for 1987 from earlier forecasts of 39 billion kroner. One major reason, he said, was "the somewhat better oil price and somewhat higher oil production."

Indeed, oil and gas exports accounted for more than 40 percent of Norway's total exports, and without the energy sector, the nation's trade account has been running a deep "The current account deficit will be our main problem

in coming years," said John Tvedt, a senior economist at the Bank of Norway, the central bank. "There's no problem in financing it over the next iew years, but there will be if we don't do anything with our policies and it becomes a Mr. Tvedt thinks the steps Norway needs to take are

"mainly in fiscal policy, and number one is to keep public spending down, especially transfer payments, such as the absidies we have for ailing industries."

Mr. Bang of Den norske Creditbank cautioned that

government revenues are especially sensitive to oil price fluctuations because of the high taxation of North Sea

price as of the effective Norwegian kroner reveaues," he said. "What really matters is the purchasing power of a barrel of oil. With a lower Norwegian kroner oil price,

barrels of oil" masks the high proportion of natural gas.
"It is around 50-50," Mr. Bang said. "While the oil can be sold worldwide, gas sales are to Great Britain and European markets, where we are directly connected by pipeline.

So we are dependent on demand in those markets. "We need an oil price cut," Mr. Tvedt said. "When we

Our most serious problem is prices and

had one, we saw our problems much more clearly. The bottlenecks appeared, and those were our very tight labor market and the deficit in 'traditional' trade."

Mr. Aamo at the Finance Ministry asserted that the minority Labor government, which took power in early 1986, had been relatively successful in coping with Norway's immediate economic problems. Last year's effective 10 percent devaluation of the krone "was a necessary defensive measure that has so far been successful," he said.

"After the wage increases and the shorter working hours (starting in 1987) that were part of the settlements, we expected a decline in competitiveness of about 10 percent," Mr. Aamo said. "That, together with constant pressure on the krone, was the reason we had to devalue. We have been able to fend off a worsening of our competitiveness, but we haven't been able to improve our posi-

Acknowledging the calls for reduced spending, the France Ministry official said, "We have a fairly tight budget. In fact, Norway is the country in Europe with the biggest budget surplus. We used to have a deficit in the budget when oil revenues are excluded, and now we have a surplus even without oil revenues. This is the result of our measures, which included both tax increases and some spending cuts."

Industry economists do not fault Mrs. Brundtland's diministration for not going far enough.

Tor Steig, chief economist of the Norwegian Federation of Industries, said: "Since the 1986 oil price drop, politi-cians and public opinion have shifted to thinking in terms of reallocating resources in Norway. There is agreement on the topic. The difficulty is that we have no political majority. Both blocs have to rely on the middle in the Storting [parliament]. That's where you have the Center Party, with their farming interests, and the Christian Party, who are reluctant to cut any benefits to families." In 1987," Mr. Tvedt said, "we will be coming closer to

achieving balance, but we still have a long way to go, and further measures are needed to get sustainable balance."

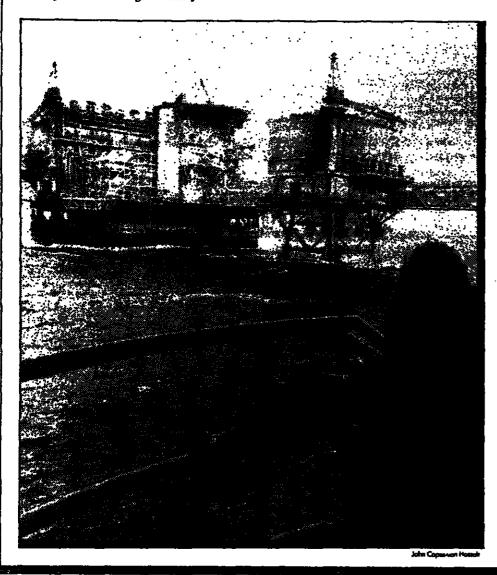
JURIS KAZA, based in Stockholm, contributes regularly to "We must think not so much in terms of the dollar oil the International Herald Tribune's business pages."

PRESSURE POINTS

Symptoms of an Overheated Economy

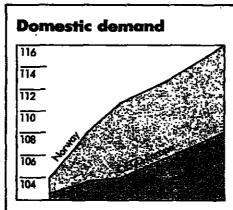
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WHEN the price of oil began its downward slide at the end of 1985, the Norwegian economy had already been thrown out of balance. Fueled by expansionary fiscal and monetary policies in 1984-85, real income gains and financial conditions, symptoms of an overheated economy became apparent, particularly in the labor market. Imbalances widened further in 1986, the Organization for Economic Cooperation and Development notes in its new report on the Norwegian economy.



1982 - 100

Non-oil trade balance



EXPLORATION: Ekofisk, located 280 kilometers southwest of Stavenger, was the first petroleum field on the Norwegian continental shelf to be declared commercial, A Phillips 66 field, it was discovered in December

All these securities having been sold outside the Kingdom of Norway,

New Issue

April 1987



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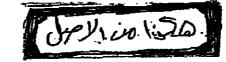
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Government Takes Cautious Stand on Spending in Revised Budget

SLO - Norway's minority Labor govern-ment, mindful of the volatile prices for its crucial North Sea oil, has declared that it may have to keep a tight rem on the economy for several years to come, despite

some signs of improvement. Last week, the government sent its revised 1987 national budget to the Storting, or parliament, indicating that current higher oil prices did not mean that the country could allow free govern-

ment spending.
Although the revised budget has drawn predictable political flak from the government's opponents, economic analysts generally think Labor is right to strike a cautious note.

Norway is Western Europe's second biggest oil producer after Britain, pumping about one million barrels per day from its off-shore fields.

But with four million people scattered over a huge area, Norway lacks Britain's industrial depth and resources with oil bringing in almost 50 percent of total export earnings.

That dependency meant Norway was hit very hard last year,

when the price of crude oil fell from about \$30 a barrel to \$9 in

So the caution is understandable. The government wants to keep the economy from plunging into crisis every time oil prices

The fact that oil prices have climbed back to about \$19 a barloss of industrial competitiveness due to spiraling costs. The initial 1987 budget was

thrown out by parliament last which cut earlier proposed state revenues by 550 million kroner

The government wants to keep the economy from plunging into crisis every time oil prices drop.

rel and that production over the last year has increased mean that economy looks better than it did last summer, when oil prices

hit their lowest point. But the government is still grapping with 10 percent annual inflation — far higher than that of its trading partners — a huge foreign trade deficit, excessive

The state is practically obliged to spend large amounts in Norprivate consumption and a severe way, simply to support the social infrastructure in a sparsely populated country - something that

year and Finance Minister Gunnar Berge had to announce a compromise plan last December, billion kroner to cover "unfore-

seen" public costs. Finance Ministry officials say the extra cost will be covered by trimming existing budget commitments and raising fees for several state services, such as annual automobile re-registration.

voters in this welfare society ex-

increasing state expenditures by 2

The revised budget proposed

But a further proposal to boost state revenues by placing a 2 percent turnover tax on trading in Norwegian shares, to be divided equally between buyers and sellers, has met with sharp criticism from bourse officials and share dealers. Government officials say the

move will bring a much-needed 400 million kroner a year. But share analysis say it is bound to limit interest in Norway's stock market, which recently hit record levels before a sharp

turnaround, since foreign inves-

tors will not be exempted from

At a time when Norway would dearly like to get away from its dependency on oil, the tax may curb interest in precisely those sectors of the economy, such as the computer company Norsk Data, that need encouragement.

The analysis also argue that the stock market, which already imposes tough restrictions on the amount of shares that foreign investors can hold in companies, needs less restrictions if it is to help the economy.

Norway's liquid money market, strapped by a plethora of reserve requirements and other limits, is an area that Conservative Party politicians as well as the central bank say needs liber-

But the revised budget has held back from that, maintaining the tight government hold over the economy, although it does make a few concessions

Norwegians are not big savers and private consumption has surged by 17 percent in the last Finance Ministry officials say

there are signs that private consumption has eased in recent months, partly due to a 20 percent penalty reserve requirement that banks must pay for lending above government-set base rates.

Catalog subscriptions But the revised budget proposes scrapping a 5 percent pri-

mary reserve requirement for commercial and savings banks, in a move aimed at decreasing bank lending costs and lowering interest rates, which currently hover around 16 percent in the money

But bankers say this is not enough. They claim that, if the penalty reserve requirement is

not lifted, it will ultimately increase loan costs passed on to borrowers through higher interest

In its revised budget, the government this spring praised efforts by the country's leading employer and trade union organizations to negotiate moderate wage settlements, adding cost increases nearly four times those of its biggest trading part-

Moderate wase growth and a 4 percent to 5 percent drop in imports are cited by the government as positive trends that should reduce inflation to about 8.5 percent by the end of the year.

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Industrial Development

(\$83 million). The revised budget

is not expected to meet the same

The government says the econ-

omy has shown signs of improve-ment, with the foreign trade defi-

cit for 1987 now projected to

about two-thirds of the level fore-

reach 27 billion kroner

rough passage.

High Costs, Lack of Markets Deter Growth

both from lower oil prices and

Mr. Steig added that for some

industries, the impact of the fall-

ing dollar on margins and sales was mitigated by the lower cost,

weak (ertilizer markets.

By Juris Kaza

SLO—Norway's industries have been so bosy serving offshore exploration interests that international export markets have been neglected. The shock of last year's oil price declines awakened interest in increasing nonenergy exports, but industries are discovering that they are not interna-

tionally cost-competitive.

Moreover, the "modern" sector of Norwegian industry remains narrow, with most industries concentrated in the basic processing of raw materials, such as metals, fertilizers, chemicals and paper and pulp. Shipbuilding, as in most of Western Europe, is essentially a dead sector. We have two to three times as

high inflation as our competitors," said Tom Ronning, a general manager at Bergen Bank's Oslo division. That makes it very hard in the long run to compete on international markets. Also, in the last 15 years, everybody has been busy on the North Sea and didn't have time to devel-

op the export markets." Norway's inflation is forecast at about 8 percent for all of 1987, but has been running at a 12-month rate of about 10 percent year. Centrally negotiated labor settlements have basically extended last year's contracts without additional wage increases, but economists point out that costs have been automatically boosted by a cut in the work week to 37.5 hours from 40 hours, effective Jan. 1.

Considering Norway's labor shortage, with unemployment be-low 2 percent, "that was the most absurd thing we could do," said Tor Bang, chief economist of Den norkse Creditbank, Norway's largest commercial bank.

Mr. Bang also said that the favorable energy cost situation of Norwegian manufacturers who use the nation's abundant hydropower has been deteriorating steadily. Hydropower plants built by private interests in the 1920s are reverting to government own-ership after 60 years under a peculiar Norwegian law. At the same time, taxes on electricity have risen and have been based on the marginal cost of new plants rather than the operating



Loading iron ore aboard freighter at Narvik.

cost of the entire power grid. "This has a considerable impact on our ahminum smehters," Mr.

Bang said. The recovery of oil prices means a pickup in orders from the offshore sector, but it could also create a climate for continned neglect of traditional export industries. At the same time, the lower dollar and weak markets for raw materials are hitting hard at some of Norway's bu

energy exporters.

"The prospects for investment on the continental shelf are better than a half-year ago," said Tor Steig, chief economist of the Norwegian Federation of Industries, and in the medium term, investments will be much higher, which means a lot for that part of Norgian industry occupied with deliveries to the energy sector. But it also means the Norwegian economy will be more exposed to



the petroleum sector.
"Meanwhile, the falling dollar has brought a deterioration of revenues in beavy export indus-tries. This has had a negative impact, especially on metals indus-

The first quarter of 1987 brought an improvement for the pulp and paper industries, and to some degree, for aluminum, Mr. Steig said.

Norsk Hydro, Norway's largest industrial metals and energy group, reported its first postwar loss of 324 million kroner (about \$49 million) in 1986, rea

in kroner, of servicing dollar-denominated debt. "Structurally, what we export is not so sophisticated," said Mr.

Ronning of the Bergen Bank. "There's a lot of raw materials and basic manufactured goods. There are just a handful of hightech companies. If you compare our industrial structure with Sweden, it's like two different

Bankers and economists say there is a broad consensus that Norway's industrial base needs to be broadened and upgraded, but the process will be slow. The nation's experiment with venture capital companies, for instance, is seen as a failure by many. Venture capital firms were formed in the mid-1980s because of tax incentives, and some were backed by the nation's foremost industri-

"A lot of them are losing money that went into bad projects," said Mr. Ronning, who works with Bergen Bank's large corporate customers. "They show disappointing results. They are not going to be a locomotive for the internationalization of Norwe-

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gian business in new fields. That expansion will have to come from existing companies, such as the computer maker Norsk Data, the medical technology supplier Ni-

comed and a few others Mr. Steig is not as harsh in his judgment. "Venture capital," he said, "has been pretty promising in the electronics sector of industry, but that's only a very small part of the industrial base. It's not enough. Chemicals, metals, paper and pulp remain the traditional base for our export indus-

Mr. Ronning sees some medium- to long-term hope for improving Norway's export competitiveness in the recent wave of corporate mergers, in which some management teams are trying to create internationally viable or-

Other long-term solutions, he said, are an improvement of Norway's infrastructure - especially in education.

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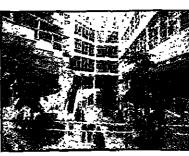
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Coping With the Computer Revolution

By John C. Ausland

SLO — The computer revolution is sweeping Norway as it is the rest of the world. The Mikrodata 87 exhibition, which took place in Oslo earlier this month, gave a good indication of how Norwegians are coping.

With its four million inhabitants, Norway is a relatively small market. Foreign firms are, however, not ignoring it. More than two-thirds of the products at the show were foreign, nearly half of them American.

As with other social changes, the computer revolution has struck here later than in other European countries. As a result, Norwegians are able to draw on the experience of others. Nevertheless, as in other countries, there is considerable confusion.

This turmoil has not prevented Norwegians from embracing the computer. A recent study showed that about a third of all Norwegians have had experience with

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computers. About 20 percent are at present working with them. The net result is that Norwe-

The net result is that Norwegians are spending a great deal of money on computing. In 1986, they spent 15 billion knoner (\$2.3 billion). This means about \$560 for every man, woman and child. As the Milroydata 87 exhibition

As the Mikrodata 87 exhibition demonstrated, interest focuses on three main lines of development — communications, desk-top publishing and local area networks.

As noted by Tom Wingarei, the director of the trade association

About a third of all Norwegians have had experience with computers.

that spousored the show, the combination of the computer and the telephone will play a large role in our lives in the future. At present, however, there are many problems.

The first is to choose among the many data bases available. Tove Molvig, of the National Library Service, recently released a list of 74 data bases, mostly Norwegian. Norwegian banks have been particularly aggressive in marketing their data bases, which cater primarily to the business community.

Newspapers are now entering the field. The Oslo daily Aftenposten is about to launch its full text data base, after being delayed by a controversy with the Norwegian authors' association.

Of the foreign data bases, Reuters has been particularly successful. Aftenposten is offering a British full text data base, DATA SOLVE. A consulting firm, AX-ESS, is selling the California-based DIALOG. Nevertheless, Norwegians are slow to find their way to the large number of foreign data bases.

Another factor that inhibits the use of data bases is the modern maze. The licensing process is moving slowly. As a result, one must choose between approved modems, which cost as much as \$1,800, and gray market modems, which cost no more than \$700. Not surprisingly, many people and firms are choosing the latter option.

Many Norwegian firms are keen to embrace desk-top publishing. There can be little doubt that the combination of the computer, graphics and the laser printer offers some nice services. Apple was early entering this field.

Having bought their desk-top computers, Norwegians now confront the problem of tying them together. As a result, the acronym LAN (local area network) has entered the vocabulary. A number of systems are competing, and the people making the decisions are not finding it easy.

Mikrodata 87 also showed that the IBM PC clone has invaded

Norway. Therese Gump, the sales manager for the THE computer, traveled from Chicago to help the local representative present the product. This is, however, by no means the only clone available in Norway, at prices well below those asked by IBM, Ericsson and other established producers. In addition to the usual dilemnas recording backware and coff.

In addition to the usual dilemmas regarding hardware and software, there is the language problem. Ivar M. Lisetar, editor of the computer journal DATATIO, when asked what he considered to be the main problems regarding computers, replied: "Those three little letters."

He was referring to three Norwegian letters that do not exist in English. The first combines a and e. The second is an o with a slash through it. The third is an a with a small circle over it.

Before Norwegians can use any software from the United States or Britain, they must reprogram it to take these three letters into account. In addition, the Norwegian distributor must translate the manuals. As a result, foreign programs become available here about three months after they come on the market abroad.

Software programs also cost two to three times as much here as in the United States. When asked about costs. Mr. Lisetar replied, "Everything is more expensive in Norway."

In addition, practically nobody

in addition, practically nobody in Norway pays his own bills. Firms make most purchases, and they can use them as tax deductions. With the marginal tax running at 80 percent, the net cost to a firm is not all that great.

The high costs in Norway make even more remarkable the fact that Norsk Data, the crown jewel of Norwegian computing, has been able to compete on the international market. In 1986, it ran second only to IBM in Norway in income.

JOHN C. AUSLAND is a former U.S. Foreign Service officer who lives in Oslo. He is the author of "Nordic Security and the Great Powers," (Westview Press, Boulder, Colorado).



Fishermen cook dinner on a mountain stream in the 'home of the giants.'

Hiking in the Jotunheim

OTUNHEIM — Norway's greatest secret is the Jounheim, or "home of the giants," a stunning combination of alpine peaks, glaciers, waterfalls and lakes.

Norwegians like to keep the Jotunheim to themselves, and it is only by accident that a foreigner may learn of it, although it contains Norway's highest mountain, Galdhopiggen.

The Norwegian fjords are among nature's wonders. A trip on a coastal steamer around the North Cape is both relaxing and filled with gorgeous scenery. Sailing along the Norwegian coast is a joy. Nevertheless, the Jotunheim is for many visitors the most beautiful part of Norway, and it is particularly prized by bikers.

August is the month in which Norwegians go to the mountains to hike. This is partly because the weather is likely to be good but also because during July they flee to the coast, to soak up as much sunshine as possible.

Tourists can travel to the Jounneim from Oslo by train and bus, but motoring is best, if expensive.

There are several approaches to the Jounneim. The drive north from Oslo through the Gudbrands

Valley runs along several charming takes and through Lillehammer, which is both a summer and winter resort. At Otta, the route turns west, leading to the Journheim from the north.

Shortly after Lom, the road south takes the tourist

to Spiterstulen and a comfortable mountain hotel.

Spiterstulen offers a number of diversions: walks along the valleys, bikes up one of the mountains that surround it. A popular hiking goal is to get to the top of Galdhopiggen by hunch and return to the hotel in time for dinner. Hikes on one of the glaciers also can be arranged, with a guide. From time to time, daring tourists who venture onto glaciers alone disappear into one of the crevices.

North of Spiterstulen is the Geiranger fjord, generally considered the finest in Norway. A ferry to the western end of the fjord, allows the motorist to wander south between the coast and the western side of the Jostedal Giacier. From Briksdal it is a short walk by an impressive waterfall to a dramatic face of

If there is no time for the Geiranger fjord, the visitor can continue southwest from Lom to Kaupanger on the Sognefjord. From there, the ferry crosses to Revsnes for the drive to Oslo.

A shorter trip to Journheim starts with a drive north from Oslo through Fagernes, ending at Lake Gjende, where the Mountain Touring Association has an inn.

The hotel here is a starting point for a hike through the mountains with a backpack, staying at various ims. A one-day trip can be made by taking the boat from Gjendesheim to Memurubu, and then hiking back over Besseggen ridge, which Iosen made famous in "Peer Gynt."

The travel bureaus of the Norwegian Automobile Association and the Royal Norwegian Automobile Association are helpful in arranging trips. For hiking information, visit the office of the Norwegian Mountain Touring Association. It is near the National Theater and the Continental Hotel

During July and the first part of August, it is wise to make hotel reservations, particularly in the moun-

Finally, the tourist is advised to take clothing for all kinds of weather. It is not an accident that Norwegians jestingly refer to their summer as the "green winter." For hiking in the mountains, warm clothes and a light rain suit are recommended. But this should not be a discouragement, for summers in Norway usually provide warm days and cool nights.

John C. Ausland

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British Prime Minister Margaret Thatcher, left, and Gro Harlem Brundtland in a toast in Norway.

Opposition Is Split

Continued from page 9

keep their distance and treasure their old enmity in the central and eastern regions. It did not make matters easier when the Conservatives began to gain in the rural districts, eating away at the support of the Center Party. The one factor that might drive the Center Party leaders into a

the support of the Center Party.

The one factor that might drive the Center Party leaders into a more cooperative mood can be found in recent voter surveys. They show that Center Party voters have the Conservatives as their second preference and that they resent Labor's policies.

Accordingly, it would seem hardly tactical on the part of the Center Party to indirectly help a Labor government stay in office. And this fact is now being exploited to persuade the Center Party to become more cooperature.

The biggest stumbling block is over economic policy. Norway's economic situation changed almost overnight in the late fall of 1985, when oil prices began to-drop. The country has a big deficit on its trade balance and this will continue for the foreseeable future. The deficit is serious enough for American evaluation groups to consider giving Norway a lower credit rating.

a lower credit rating.
In one way, this is good news for the Conservatives, who have claimed that the Labor government is spending too much. But at the same time, it makes it more difficult for the Conservatives to sustain their claim that the economy needs substantial tax cuts.

There is endless bickering over a proposal to revise, the country's complicated tax law. And without a common economic platform, at least some members of the Center Parry feel that the former coalition simply fore not

have a proper reason for kicking the Labor government out.

There is also the fact that the prime minister has proved herself to be a redoubtable political tactician. Once in a while, Labor will throw a morsel of a proposal to the Center Party to pry it loose from the negotiations with the Conservatives and the Christian People's Party.

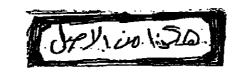
Astutely, she never tires of pointing out that there is a considerable difference between the Conservative and the Center Party platforms over policies for the rural districts, with the Center Party strongly in favor of preserving Norway's system of extensive agricultural subsidies.

Up until this month's party conference, some Conservatives were also troubled by the lackluster performance of their new leader, Mr. Presthus. For almost five years, he was a respected and even well-liked minister of finance, confident and suave with a quiet sense of humor,

As prime minister-in-waiting, he has appeared tense and worried. But at the end of his speech to the party conference, he was given a standing ovation in the best British Tory tradition, and the grumbling that the party had picked the wrong man ceased.

There is little doubt that Mr. Presthus would be a more than competent prime minister, in spite of his lack of experience in foreign affairs. But the longer he remains in opposition, the darker his political future will look if he still has not made it into office when the long summer days imperceptibly begin to grow shorter after June 21.

PER EGIL HECGE is the editor of the weekend supplement of Af.



Oil Turbulence Subsides and Confidence Gains

By Michael Metcalfe

SLO - After a storery year in which volatile international oil prices, uncertain exploration plans and a government changeover have played havoc with its oil and financial policies, Norway is back on a calmer course.

Coming to terms with the abrupt reversal in its fortunes has not come easy to Norway's offshore oil and gas industry. However, a painful period of readjustment to lower oil prices, production cutbacks and the scaling down of exploration is now giving way to a more upbeat phase, where guarded optimism is gaining the upper hand.

"The government wishes to see as high a tempo in oil exploration off northern Norway as is compatible with the interests of fisheries, other environmental considerations and the economy," said Arne Ocien, the oil and energy minister, recently.

Recent corporate results from Norway's largest oil majors, state-owned Statoil and publicly quoted Norsk Hydro, bear out this renewed optimis

For example, after a bleak 1986, when its accounts dipped into the red for the first time since 1944, Norsk Hydro turned in an 18 percent rise in its first quarter 1987 net income to 413 million kroner (\$62 million). The group's oil and gas divisions fared well, registering an increase in operat-ing income to almost 800 million

Moreover, no less than 18 oil majors applied for drilling rights in the new exploration areas in the Barents Sea on the Norwegian continental shelf, and the Oil Ministry was satisfied at the level of interest in this 11th round of concessions for offshore pro-

Statoil, Norsk Hydro and the privately owned Norwegian company Saga Petroleum, as well as international majors like BP, Elf, Esso, Shell, Mobil, Tenneco and Total, were among the applicants Of Concessions.

Contributing to the brighter outlook is the calmer trend in the international oil price. Stabilizing at higher levels around \$18 a bar-

Continued from page 9

erument than through market

Hence, the "welfare state for

business" plays a decisive role not

only in maintaining full employ-

ment but also as a basis for pow-

erful interest groups. When faced

with the increased social security

outlays of today, any minister of

finance has to assess the impact

of transfers on productivity and

try to countervail the power of

Expenditures for the present

system of old age pensions will

rise. First, there is an inherent

expansion as more people with

entitlements to higher employ-

ment-related pensions retire. For example, the rapid increase in female employment during the 1970s was not foreseen when the

present system was put into effect. The second factor is purely demographic: More people grow

old old people live longer and a

growing proportion of the retir-

ees above 80 fuel the need for health services and care. This

strains appropriations as well as personnel, of which there is al-

ready a considerable shortage.

These concurrent trends re-

quire more resources in the tradi-

tional welfare sector or a cut in

the quality of services. A recom-

mendation has been made to

abolish supplementary pensions

for groups with income above that of skilled workers, but so far

no political party has supported

this. A cut in pensions means a,

loss of votes, so radical changes in

The quandaries have been ag-

the present system are unlikely.

gravated by the fall in oil prices, which has hit the private sector as

well as public revenue. In 1985, taxes from petroleum activities

made up 20 percent of public in-come but this is expected to fall

substantially, even close to zero,

according to the most pessimistic

scenario. At the same time, there is no political support for any

Therefore, the increasing de-

mands on the pension system due

to demographic changes must be financed by a more efficient non-

oil-based industry and by reallo-

cations within the public sector.

The present Labor govern-

ment, as well as any future gov-

ernment, is faced with two major

policy problems. The first is to retrench the system of economic

transfers. In order to maintain

and expand welfare services for

all citizens, specific benefits won

by a group or industry have to be

reduced. The second task is to

prevent unemployment while dismantling this "welfare state for

In an economy where almost

50 percent of gross national prod-

uct comes from exports, full em-

ployment can only be secured if

high inflation is avoided, which in

turn requires a high degree of

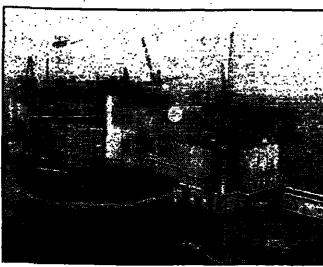
wage restraint. Any comprehen-

sive wage moderation. Lowever,

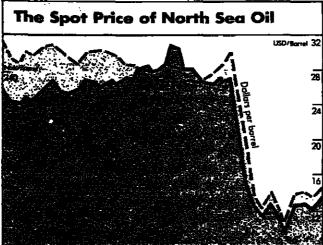
major tax increase.

the organized interests.

competition.



Ekofisk drilling rig in the North Sea.



rel, less price volatility makes it easier for both the Norwegian government and industry to unertake the arduous task of finan-

Recent estimates by the Finance Ministry show that export earning and tax revenue from oil and gas activities in 1987 would rise to 66.9 billion kroner and 23.2 billion kroner, respectively, from 53.9 billion kroner and 17.9 billion kroner, assuming an oil price of \$20 a barrel compared with \$15 a barrel.

'social contract", between gov

ernment and organizations in the

The wage policies of the 1970s

were a successful attempt to raise

the wages of low-income groups.

In reaction to this, combined with

a trend toward more segmented

labor markets and a more frag-

mented organizational structure,

wage settlements during the later

years have been made in a more

In the 1980s, a greater share of

wage increases have come from

plant-level bargaining. Hence,

specialized occupational groups

have improved their lot, inequal-

ities have increased and so has

relative deprivation. The Nation-

al Federation of Trade Unions

(LO) has lost its paramount posi-

tion. From representing 85 per-

decentralized manner.

labor market.

Dilemma of 'Two Welfare States'

Because oil plays such an overriding role in the economy - it accounts for 19 percent of gross consistent pricing policy.

national product, 20 percent of the central government's income and almost 50 percent of total export earnings — the persistent dilemma of successive govern-ments has always been how to reconcile buoyant production growth in the oil sector with a

Not belonging to a cartel helped. By remaining outside the Organization of Petroleum Ex-

30 years ago, it finds itself in a position where rival federations

LO unions competing for

members with trade unions out-

side the labor movement have to

do so by pursuing objectives that

run counter to the traditional val-

ues of the labor movement,

namely, greater equality. The ef-

fect of restraining wage claims

may be a loss of members, but

inflationary wage demands may

If no government succeeds in

reducing economic subsidies and

in implementing an effective

wage restraint policy, the level of

social welfare must decline. The

political consequence will be the

crumbling of the almost universal

support for public welfare ser-

mean a loss of jobs.

have broken its monopoly.

porting Countries, Norway, like Britain, managed to preserve a degree of independence in its production policy, preferring to leave it to market forces to dictate the price of crude oil.

This policy worked well when prices spiraled upward, swelling oil tax revenues and buttressing the government's budget. But, according to oil industry analysts in Oslo, the government was forced to change tack when the oil price tumbled

After more than eight months of standing on the sidelines, the minority Labor government finally fell into line with OPEC's bid to prop up the oil price, when it announced in January a 7.5 percent cutback in planned North Sea oil production for a six-month period.

The reduction takes the form

of curbing production growth by 80,000 barrels a day from Feb. 1. Daily production levels in January were running at a record 1.09 million barrels, compared with 1.05 million in December, and they were outstripping such significant OPEC producers as Kuwait, Libya and the United Arab

Despite the cutback, Norway's oil output will, nevertheless, be higher than in 1986 because production from the mammoth re-serves in the Statfjord field has risen and the new Gullfaks field has come on stream. The price of the reduction, in terms of oil held back, is estimated at about \$200

Sinking output by 7.5 percent involves a reduction in the volume of oil exports of 8.5 percent, as oil used in domestic consumption was not part of the scaling down. The measure followed an initial 10 percent reduction in net oil exports that was announced in late 1986.

Mr. Ocien has stressed that the measure could be rescinded at short notice if OPEC failed to honor the agreement reached in December to s'abilize prices at higher levels. He has also rejected suggestions that Norway might resort to introducing fixed oil

In a recent report, the Oslo government estimated that production capacity in the Norwegian sector of the continental shelf will increase in the final

cally powerful groups will safe-

guard their own social security

interests through private, cccupa-

tionally based arrangements rath-

er than by a less generous public

Such a development is likely to

erode universalism as the key-

stone of Norwegian social policy.

reducing state responsibility and

public support to provide for

marginal groups without occupa-

KAARE HAGEN is a researcher

at the Norwegian Trade Union Center for Social Research

(FAFO) and GUDMUND HER-

NES is professor of sociology at the

University of Bergen and director

of research at FAFO.

tional welfare arrangements.

ment. Norway will develop two major gas fields, Troll and about 90 million tons oil equivalents in 1989 from about 69 mil-Sleipner East, and construct a lion tons oil equivalents in 1986. new gas transportation system to Zeebrugge, Belgium. Major developments this year

On Jan. 29, the first crude oil cargo from the new Gullfaks field was loaded on a tanker bound for the Mongstad oil refining complex north of Bergen on Norway's west coast

"A new milestone has has been passed in the development of the Gullfaks field. The first platform is now on stream," said the Statoil president, Arve Johnsen.

Gullfaks is the first field owned entirely by Norwegian companies and the "A" platform is the first production unit in Norwegian waters that was built by a Norwegian operator, Statoil. Production started seven

months ahead of schedule. It sig-

project are scheduled to begin in nals Norway's determination not fall 1993, while the contract will to let up in its pursuit of oil derun beyond 2020. spite the whims of the interna-The largest quantities will be supplied to West Germany and tional oil market. France. Annual deliveries will be about 19 billion cubic meters,

MICHAEL METCALFE, a journalist based in Copenhagen, is a correspondent for Business Inter-

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New Issue March 27, 1987

include the Feb. 1 production

cutback, the latest round of con-

cessions for expanding explora-

tion into the strategically vital

Barents Sea region, the coming

on stream of the Gullfaks field

and the go-ahead for the Troll gas

deal, which is the continental

shelf's largest development pro-

At the turn of the year, agree-

ment was finally reached to sell

more than 400 billion cubic me-

ters (523 billion cubic yards) of

gas from the Troll and Sleipner

fields to buyers in West Germa-

ny, Belgium, France, Austria and

the Netherlands. First deliveries

from the estimated \$7.2 billion

when top levels are reached around the turn of the century.

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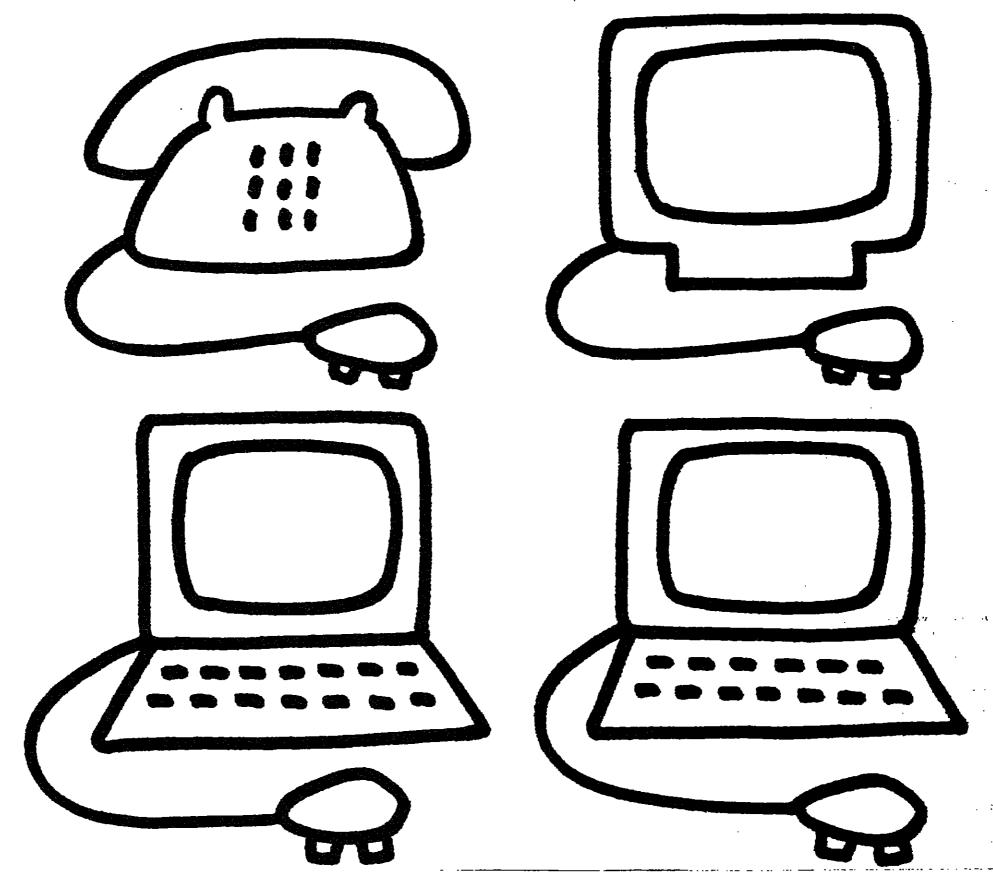
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THURSDAY, MAY 21, 1987

TECHNOLOGY

Hottest Thing in Ovens **Combines Air and Steam**

By JONATHAN P. HICKS New York Times Service

EW YORK - Andre Soltner, proprietor and chef of Lutèce, recalled how his assistants balked at the idea of installing a new type of oven in the kitchen of the world-famous restaurant in Manhattan. "They told me I was crazy and that they did not want to use the oven," Mr. Soltner said. "I now have to fight to get to it."

Mr. Soltner insists that the new oven is the best new technology to come into his kitchen since he brought a food processor back from a trip to France 20 years ago. The oven combines the functions of a convection oven, which circulates hot air, and a pressureless steamer. The combination ovens, as they are called,

Combination ovens

and energy — and

can save money, space

improve food quality.

allow him to do everything from steaming asparagus and lobster to roasting Cornish hens and foie gras - some-

times simultaneously. The oven performs three functions. With the turn of a switch, Mr. Soltner can convert it from a fully insulated convection oven ready to bake

A Same Marie Same

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meringue-topped pies to a steam chamber that can cook cauli-flower. Or, the oven can combine steam and hot air for baking bread or roasting prime rib.

The combination oven is a significant development in American kitchens because it allows food service facilities to save money," said Robin G. Ashton, editor of Food Service Equip-

ment & Supplies Specialist, an industry magazine.

With the combination oven, one piece of equipment does the functions previously performed by two. Less kitchen space is needed, which can result in an increase in seating room for customers, a particular benefit for small restaurants.

Mr. Ashton said that the combination oven also dramatically cuts the percentage of shrinkage in meats. He noted that the average steamship round of beef, the large section often used in buffets, shrinks 15 percent to 20 percent in a convection oven, and only 3 percent to 4 percent in a combination oven. "That represents a lot of servings of meat and a lot of money," he said. "And that's why the ovens are becoming popular in this country."

HE OVEN was developed in West Germany by Rational Grosskuchentechnik GmbH, a major kitchen equipment manufacturer. Blodgett Oven Co. of Burlington, Vernoon, introduced the oven, the Combi-Oven-Steamer, in the United

States about two years ago under the license of Rational.

The smallest of the Rational combination ovens, about four cubic feet (0.12 cubic meters), holds six steam table pans and costs about \$6,000. The largest, which measures about 25 cubic feet, can hold 20 pans and costs about \$30,000. Kitchen experts say that a combination oven costs slightly more than buying both a steamer oven and a convection oven.

The price has made the new oven too costly for home use, experts say, but fast-food chains are considering them.
"If they can bake their chicken and steam their fish in the same

oven they bake their biscuits," one kitchen specialist said, "think of the savings in space and energy they will realize."

The ovens also improve food quality, Mr. Soltner and other kitchen equipment experts say. Because the cook can control the amount of humidity in the oven, meats stay moist. The ovens connect with water valves and drain connections, much like a dishwasher. A condenser draws out excess, steam from the appliance, along with fumes from roasting and grilling.

As a result there is no flavor transfer among foods. In fact, some users of the oven say they can cook fish on one oven rack and chocolate mousse on another without affecting the flavor of

Kitchen equipment experts say that fewer than 2 percent of potential customers have the ovens. "The price tag has held down sales a bit," said Joseph Derocher, associate professor of hotel administration at the University of New Hampshire. "But on the other hand, the major marketing thrust has only recently begun."

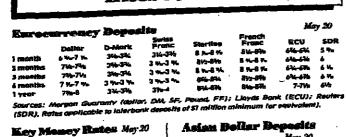
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RR Shares Surge In Debut

Large Investors Power 73% Rise

Compiled by One Staff From Dispatches LONDON - Shares in Rolls-Royce PLC, the newly privatized airplane engine maker, sported 73 percent Wednesday in heavy trading, as institutional investors scrambled to increase their limited holdings during the company's de-but on the London Stock Ex-

While the rest of the market was falling, the price for one part-paid share jumped to 144.5 pence (\$2.43) within an hour and a balf from the original 85 pence as 284 million shares traded hands.

The stock had opened at 129.5 pence, and after slipping to 139 pence as investors took profits, it closed even higher at 147.

In an offer that was 10 times oversubscribed, the government had sold 801,5 million shares at 170 pence each for a total of £1.36 billion. Investors initially paid half the price for a minimum of 150 shares, with the remainder due by

The market deemed the shares underpriced, a criticism that the opposition Labor Party has often leveled at share sales under the Conservative Party's privatization

program.

Rolls-Royce is the latest of some 30 former state enterprises sold to the public in a program that has highlighted the hunger for equity among investors in Britain and elsewhere in Western Europe.

The number of Britons holding shares has nearly tripled, to 9.5 million, since Prime Minister Margaret Thatcher came to power in 1979.

Institutional investors snapped up shares Wednesday after having had their portion of the offering reduced to 50 percent from 60 percent to satisfy demand from smaller investors. In addition, the government granted no shares to investors who had applied for more than 100,000.

Analysts said there was particularly strong interest from corporate Japanese buyers. Britain announced in April that because Rolls-Royce was vital to its military needs, foreigners would be barred from buying more than 15 percent of the stock and no shares would be offered abroad (AP, Reuters)

France Says It Will Sell Farm Bank

PARIS - The cabinet decided Wednesday to go ahead with plans to sell state-owned Caisse Nationale de Crédit Agricole, France's

biggest financial institution. Banking sources said that the sale of the farm credit institution could be one of the most politically sensitive in the conservative government's five-year privatization

program.
The budget minister, Alain Juppé, said that the cabinet adopted a bill proposed by Finance Minister Edouard Balladur to sell the bank, which has assets of nearly 1 trillion francs (about \$168 billion). The bill now goes to the National

Assembly, with the aim of selling the bank by the end of the year. A dispute already has arisen between bank and farm interest groups over the way Credit Agricole has diversified into housing finance and into all-round banking. and between regions anxious to en-

sure themselves a full say in the bank's rural lending. In addition to its farm credit activities, Crédit Agricole provides the giant automaker with losses of more than 35 percent of all bank 480 million Deutsche marks (about mortgages for housing in France \$270 million at current rates).

and 20 percent to 30 percent of In an article to be published in

other retail banking services.

Under Mr. Balladur's bill, 90 lawyer, Egon Geis, said he negotipercent of the bank's capital would ated recently with the Brunswick be offered to 94 cooperative region-prosecutor's office, which is hanal farm banks whose activities are coordinated and financed by Cred-mine if his client could avoid being

The regional banks would be of-sentence if he testified and posted fered shares in proportion to the bond. size of their assets and would have live years to pay for their stakes, Geis was quoted as saying, "My Mr. Juppé said.

The remaining 10 percent would direction."
be offered to Credit Agricole em

The arti ployees. The share price would be set by Mr. Balladur on the basis of claimed that Mr. Schmidt fled a valuation by a government com- West Germany shortly after news

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Yen Ravages Japan's Supply Role

But U.S. Firms Fail to Embrace Horne Sources

By Barnaby J. Feder New York Times Service

NEW YORK - In the early 1980s, many U.S. manufacturers, reeling under competitive pressures, cut back production in the United States and began importing components, even entire products, from Japan.

Now, after two years in which the value of the yen has risen sharply against the dollar, the drawbacks of that strategy are looming large. The swing in currencies has forced Japanese suppliers to raise their prices and croded the cost advantage of importing from Japan. There's no case where we

have escaped unscathed," said Robert R. Reilly, director of corporate strategy at Ford Motor Co., which has been buying about \$1 billion of goods annually from Japan. The plunge in the value of the dollar against the yen, he said, has added millions of dollars to Ford's expenses. Ford, like virtually every U.S.

dom of "outsourcing" from Ja-Some U.S. companies have already chosen not to renew their contracts with the Japanese. General Electric Co. has stopped buying televisions from Matsushita Electric Industrial Co., and

Cincinnati Milacron Inc., the

company, is rethinking the wis-

largest U.S. machine-tool company, is dropping the lathes that imports from Hitachi Seiki Co. "If we ordered more machines now, it would be a loss situation for us," explained Donald Shively, Milacron's executive vice

president for operations. But what may be bad news for Japan's economy may not necessarily be good news for Ameri-

U.S. companies are not necessarily turning to U.S. suppliers instead. So far, at least, only a handful of American companies have brought production home, as GE did with the television sets it is now producing at its RCA subsidiary's plant in Indiana.



set to open in Michigan. Many others, such as automakers, are turning to countries with cheaper labor, including

Mexico. Some U.S. companies say they would like to retreat from Japan but not from their Japanese suppliers, who have proven to be reliable partners. Numerous U.S. companies are working with Japanese concerns to lower costs. either by redesigning products so they can be made more cheaply in Japan, or by helping the Japanese move some production else-

Korea, Taiwan, Singapore and

Ford, for example, is helping Mazda Motor Corp., a long-time supplier, accelerate its plans to produce cars and components at Flat Rock, Michigan. Similarly, Eastman Kodak Co. helped a Japanese supplier transfer its production of printed circuit boards to Singapore.

Worried about potential trade

restrictions and knowing only too well that a currency that goes up can quickly come down, still other U.S. corporations are bedging their long-term bets. Their models are such companies as Texas instruments inc., the semiconductor maker that has sister microchip production plants in Japan and the United

sign at the Mazda plant

"American firms are going to have to make flexibility a prima-ry strategic objective," said Amir Mahini, director of international business research at McKinsey & Co., a consulting concern.

It is easy to understand why: The dollar's fall in the past two years has raised the value of the yen by about 85 percent. This means that Japanese suppliers that agreed to be paid in dollars are taking a beating. With the dollar that was worth 262 yen See YEN Page 21

Citicorp Move Rattles, Then **Heartens Banks**

NEW YORK - The stocks of Citicorp and other major banks rebounded Wednesday, reflecting apparent investor confidence in Citicorp's decision to take a \$2.5 billion loss to set aside money to cover possible bad loans.

biggest U.S. bank holding company, had jumped \$3,125 to \$53,75 by midday on the New York Stock Exchange. Its shares had fallen \$1.625 Tuesday amid rumors that

Citicorp's move took the Third World debt crisis into uncharted territory. Page 21.

the company was about to take action on its foreign debts.

After the close of trading Tuesday, Citicorp said it was creating a \$3 billion reserve for possible loan losses in the second quarter, a move that would give it a net loss of \$2.5 billion in the quarter and \$1 billion

Financial markets were rattled by the news. The Tokyo Stock Ex-change recorded its second biggest drop in history Wednesday while London stock indexes dived and the price of gold, a safe haven for investors in troubled times. touched its highest level in more than four years.

But prices on Wall Street, after a drop Tuesday night and a further sharp fall early Wednesday, were recovering Wednesday afternoon. And the dollar, a useful weather vane, remained fairly stable. Many Wall Street analysts

praised Citicorp, saying it had re-duced its risk of defaults on troubled foreign loans. Citicorp's chairman, John Reed.

said that Citicorp was not projecting it would have to write off \$3 billion in loans as uncollectable.

But the company believed that given the state of the global economy, and the expectation that developing countries would have trouble making loan payments into the 1990s, it needed to prepare itself for potential problems so it could

concentrate on building its major business segments.

"We felt it was imperative to be appropriately reserved," he said. "We believe it will significantly strengthen the institution.

The second-quarter loss would be the second-largest quarterly loss The share price of Citicorp, the ever by a U.S. corporation. The largest was a \$4.87 billion loss posted by American Telephone & Telegraph Co. in 1983, from a charge related to the breakup of the Bell System.

Citicorp had a profit of \$235 million, or \$1.60 per share, in the second quarter of 1986. It posted a profit of \$1.06 billion, or \$7.13 per

share, for the year.

Mr. Reed said Citicorp had notified federal regulators, leaders of major developing nations and other major U.S. banks, including BankAmerica Corp. and Manufacturers Hanover Trust Co., that it would be taking the move.

BankAmerica, the second-largest U.S. bank group and a major Third World lender, said its loan loss reserve was "appropriate" for its overall portfolio and it saw no

need to adjust it.
In New York, Manufacturers Hanover said it would take an intensive look at its reserve for possible loan losses

Standard & Poor's Corp., which confirmed Citicorp's debt rating after the announcement, said that the move increased pressure for banks to "quickly and substantially" bolster reserves against Third World loans, but that such action could "weaken permanently" banks with mediocre performances in their core businesses.

Mr. Reed said the loan loss reserve would not affect Citicorp's dividend because it did not reflect problems with underlying busi-

He emphasized that the latest move was not intended as a signal to foreign debtors that Citicorp was willing to take a big hit on its loans rather than accept further concessionary restructuring of debt pay-(AP. Reuters)

AMC Board Approves Chrysler's Buyout Offer

The Associated Press

DETROIT -- The board of directors of American Motors Corp. has approved an \$830 million buyout proposal by Chrysler Corp. that would give AMC shareholders \$4.50 worth of Chrysler stock for each AMC share, the companies said Wednesday.

Chrysler's initial \$757 million proposal, announced March 9, would have exchanged \$4 worth of Chrysler stock for each outstanding AMC share not held by Renault, the state-owned French

As part of the deal, Chrysler has agreed to buy Renault's 46.1 percent interest in AMC for \$35 million in cash and \$200 million to be paid later at 9.75 percent interest, a Chrysler spokesman, John Guini-

When Chrysler announced its inthe total value of the deal was mally announce its approval of the AMC owns Jeep Corp., the best-

By Ferdinand Protzman

broker suspected of playing a key role in a foreign-exchange trading

scandal at Volkswagen AG will not return to West Germany from an

undisclosed location abroad, his

lawyer said in an article to be pub-

The broker, Joschim Schmidt,

vanished shortly after news broke on March 10 of fraudulent trading

in foreign currency that could leave

dling the investigation, to deter-

sent to prison or expect a reduced

But after the negotiations, Mr.

client won't move one step in this

The article was released in ad-

vance to the news media. Stem

of the scandal broke.

lished Thursday.

FRANKFURT - A former

assumption of long-term debt.

said the endorsement of AMC's di- have criticized the sale as a "giverectors represented a major step away." toward completing the n

significant shift among U.S. car New York Stock Exchange. manufacturers in over 30 years and a major move by Chrysler to ex- which had been scheduled for May pand its North American business. 29, was postponed last month until manufacture in the United States, sion on the Chrysler proposal. The is best known for its top-selling meeting now will be held about 90

Jeep line.

A Chrysler spokeswoman, Taggety Patrick, said Chrysler's board

days after proxies have been
mailed, an AMC spokesman said.
Chrysler, the nation's third-largtentions to buy AMC last March, ers meeting. Chrysler hopes to for-maker.

He allegedly flew to Switzerland

Air Charterflug Gmbh, an air char-

ter service based in Egelsbach, near

Frankfurt. The magazine claimed

nor police and prosecution officials

Mr. Schmidt is currently believed to be in New Zealand or the

The scandal at Volkswagen in-

United States, according to the ar-

volved forged forward contracts for foreign exchange.

highly professional crews.

could be reached for comment.

and another friend.

pegged at \$2 billion, including the merger then to its shareholders, she known U.S. maker of sport and assumption of long-term debt. said.

holders and the French, U.S. and automaker said. Some leaders of Canadian governments, analysts the company's unionized workers The merger would mark the most \$4.25, in afternoon trading on the

The company's annual meeting, AMC, which pioneered small car the AMC board could reach a decidavs after proxies have been

would meet Thursday in Savannah, est automaker, would receive sever-Georgia, where the company is al benefits from its purchase of holding its 1987 annual stockhold- AMC, the nation's fourth-largest

Broker Sought in VW Scandal Bars Return

Company officials have said the from Frankfurt aboard a Beech-craft King Air 200 owned by Triple contacted the National Bank of Hungary for fulfillment of one of the contracts. The bank said it had nies. We hope that final approvals no record of the contract and left can be obtained quickly. the automaker to assume the loss.

that the company was owned by Mr. Schmidt's former girlfriend Mr. Schmidt was known to be the principal foreign exchange bro-There are also indications that ker in Frankfurt for the National Mr. Schmidt founded and financed Bank of Hungary. He is believed to have had broad power to act for the Triple Air Charterflug, the magabank in the foreign exchange market and to have had access to offi-Neither the air charter company

cial bank documents. The article said that the attorney for Burkhardt Junger, the former chief foreign exchange dealer at Volkswagen, had been negotiating with the Brunswick prosecutor's of fice. Mr. Junger was dismissed af-ter the scandal broke and is currently in jail on suspicion of fraud.

66 By the time my flight arrived, the meeting was over...?

Face it, airline travelers in today's climate of deregulation and mergers are caught between a rock and a hard place.

But you don't have to be Consider the executive expedient, Jet Aviation. Our fleet of more than 70 aircraft – consisting of Citation 1/II, Learjet 35/36, BA 125, Falcon 10/20, 50, Challenger 600, Gulfstream II/III. Boeing 707/727. DC-8-72 – takes you where the air-lines go. And where they don't. On demand. Anywhere in the world. We are based in Europe, the Middle East and North America, with aircraft sized and priced to fit your needs and budget. Of course, all maintained to strict Swiss standards and flown by

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Although the proposal must still

Renault directors, meanwhile, have just constructed a high-tech be approved by the boards of Chrysler and Renault, AMC shareday, a spokesman for the French province that next fall will begin building a new sedan, called the

In addition, Chrysler will have access to more than 1,000 AMC

AMC posted a \$23.4 million profit for the first three months of 1987, reversing a loss of \$18.9 million in the year-earlier period.

A United Auto Workers spokesman. Bob Barbee, said the Chrysler officials told them the company had not conducted studies of AMC's four assembly plants and therfore were not yet able to say whether any would be closed under

the proposal.

AMC's president, Joseph Cappy, said: "The board of directors of American Motors has studied. evaluated and negotiated the Chrysler proposal and believes that the merger on these terms is in the

best interests of the stockholders." Chrysler's chairman, Lee A. Iacocca, said: "We have said all along that we believe the combination of Chrysler and American Motors will be good for the stockholders, employees and dealers of both compa-

Sabena and SAS To Start Formal Talks on Merger

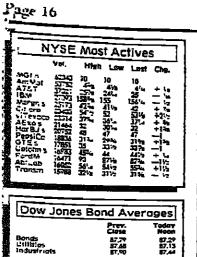
BRUSSELS - Belgium's state-owned airline, Sabena, said Wednesday that its direcmerger talks to begin with Scandinavian Airline Systems, the flag carrier for Sweden, Norway and Denmark. If consummated, the merger would create one of Europe's biggest airlines.

Sabena's other activities, such as its catering and hotel business, would not be part of a merger, a spokesman said.

The spokesman said the two sides had been discussing a combination for some time, but that the talks would now proceed on a formal basis. Directors of SAS, in which the governments of Sweden, Norway and Denmark hold a joint 50 percent stake, has already authorized formal negotiations.

SAS said last week that it was considering halting plans for a major purchase of aircraft pending the outcome of the merger talks with Sabena.





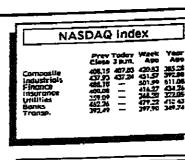
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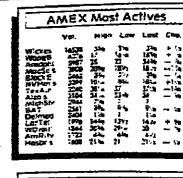
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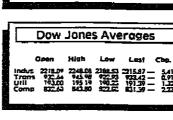




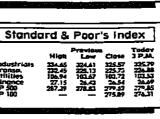
AMEX Stock Index

The Americanal Press

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NYSE Recouping Early Losses

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NEW YORK — Prices on the New York Stock Exchange were recovering to late trading Wednesday after earlier losses that followed Because of transmission Citicorp's decision to add \$3 billion to its reserves against bad foreign loans.

At 3 P.M., the Dow Jones average of 30 industrial shares, down more than 15 points at midmorming, was up 1.53 to 2,222.81. Losing issues were outnumbering gainers by about 2-1.

Volume came to 171.02 million shares with an hour of trading remaining.

After the close on Tuesday, Citrorp announced the increase in its boundoss reserves. nounced the increase in its loan-loss reserves, saying it would result in a loss of \$2.5 billion for the second quarter. The market's drop late in Tuesday's session was attributed to rumors and speculation about what the big bank holding company was about to do.

The news served to focus fresh attention on the international debt situation and the potential problems it poses for the banking system. However, several Wall Street analysts applauded Citicorp's action, arguing that it was a prudent move that effectively reduced the com-pany's exposure to risk of default on the loans At 3 P.M., Citicorp shares, which feil 1/9 Tuesday, had rebounded 3 to 53% after a de-layed opening on Wednesday Among other leading money-center bank is-

sues, J.P. Morgan rose 11s to 42%, and Chase Manhattan 15 to 35%, while Manufacturers Technical analysis also said truders appeared to step up their buying when the Dow Jones High Low Stock

And the state of t The property of the property o

Because of transmission problems, closing NYSE and AMEX prices were not available in this edition. We regret the inconvenience to read-

industrial average approached 2,200, which some regard as a "support level" for the market. The NYSE's composite index of all its listed common stocks dropped 0.12 to 157.81. On the American Stock Exchange, the market value index was down 2.60 at 322.47.

Among blue chips, AT&T, USX and General Motors were lower, IBM, American Express, General Electric, Minnesota Mining & Manu-facturing and Eastman Kodak were posting

Harcourt Brace Jovanovich was off a bit. It has risen 17th since receiving and rejecting a \$44-a-share takeover offer from British Printing on Monday. In the technology group, Hewlett-Packard, Cray Research and Prime Computer were gain-

Alexander & Alexander was up 2% to 25% on news that Fireman's Fund holds a 10.9 percent stake in the insurer.

Stocks of Japanese multinationals were gain-ers. Matsushita Electric, Hitachi and Honda On the American Stock Exchange, prices

were lower in active trading.

Wang Luboratories class B was the secondmost active Amey issue, adding 1: to 17. Am-dahl followed, falling 1s to 341:.

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Detroit's Big 3 Are Seen As Losing Market to Japanese Plants in U.S.

DETROIT - American automakers will lose substantial market share to Japanese-owned car plants in the United States by the beginning of the 1990s, two economic forecasting firms predict in a new study.

Analysts at an automotive conference spon-sored by the two firms, J.D. Power & Associates and Data Resources Inc., said that the Japanese plants will particularly affect the top and botiom segments of the market.

John Hammond, a managing partner at Pow-er, forecast yearly U.S. car sales, including imports and domestically produced vehicles, of 11
million units at the start of the 1990s. But he
said that his firm projects that domestically
built cars from the top three U.S. manufacturers
will account for only 6.3 million of the total.
In 1986, the industry sold a record 11.45
million cars, with the Big Three — Chrysler
Corp., Ford Motor Co. and General Motors
Corp. — selling about 8 million

Corp., Pord Motor Co. and General Motors Corp. — selling about 8 million.
Chrysler is likely to be most seriously affected of the U.S. automakers by Japanese production in the United States, Mr. Hammond said.
He said that new foreign-owned car plants would exert substantial pressure on Detroit in

luxury and subcompact car sales. Sales of small cars by North American based companies are likely to fall to 1.5 million units by 1990 from 2.7 million in 1986, according to his firm's

OIL&MONEY The eighth International Herald Tribune Oil Daily conference on "Oil and Money in the Eighties" will take place

on October 22 and 23 in London. The conference which has become a major annual event in international energy circles, will feature an outstanding group of worldwide energy and financial experts and government leaders from Europe, the Middle East and the United States. The conference is designed to provide senior executives from the financial and energy sectors with an annual comprehensive update on the world oil market.

For full details please clip your business card to this announcement message and return it to: International Herald Tribune, Conference Office, 63, Long Acre, London WC2E 9JH. Or Telephone: (441) 836 4802. Telex: 262009.

U.S. Futures Via The Associated Press

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SOV BEAMS (CBT)

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in the Tab. Get the big picture on Leonard Silks Economic Scene.

Market Guide

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London Metals

Crude Steel Output Fell

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In April, Institute Says BRUSSELS — Crude steel out-BRUSSELS — Crude steel output in the major non-Communist producing countries fell slightly in April to 36.4 million metric tons (40.04 million short tons) from 36.6 million tons a year earlier, the International Iron and Steel Institute said Wednesday.

U.S. output was 4.8 percent higher than in April 1986, but Japanese output fell 2.5 percent and European Community output by 4.4 percent, it said, Cumulative output for the first four months of

Herald Eribune

Reaching More Than a Third of a Million Readers in 164 Countries Around the World.

To Our Readers output for the first four months of 1987 was 138 million tons, 4.8 percent lower than a year earlier.

S & P 100 index option prices were not available in this edition because of transmission delays.

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REVERSED STOCK SPLIT

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Lufthansa Net Rises 2%; Operations Post a Loss

FRANKFURT — Lufthansa DM in other operating earnings AG said Wednesday that parent company earnings rose 2.2 percent to 64.4 million Deutsche marks 536 million at current exchange rates) in 1986, although it posted a 66.6 million DM loss on opera-

The operations loss followed a profit of 152 million the previous year. Overall, parent company month in 1985 was 63 million DM. Heinz Ruhnau, managing board chairman of the West German national airline, attributed the operations loss almost exclusively to the weakening of the dollar.

Revenue for the parent company dipped 4.3 percent to 9.38 billion DM from 9.80 billion,

So far this year, the decline in the dollar has reduced revenue by about 12 percent from the comparable 1986 period, Mr. Ruhnan said. He said he was convinced the company would post a profit for

Ginther Becher, a member of the managing board, said that the airline lost 252 million DM in 1986 on flight operations, compared cr, including five weekly flights with a 53.9 million DM loss in from Frankfurt to Washington.

Tallest Building

In Hong Kong

Has Bad Vibes

Agence France-Presse

of China building, which will be Hong Kong's tallest structure

when completed, is out of har-

mony with its surroundings and

could bring misfortune, accord-

ing to a fung shut expert quoted

Sung Sin-kwong studied the building, designed by the Chi-

nese-born American architect I

M. Pei, and said it resembled

the pyramids of Egypt and thus

was inauspicious, the South China Morning Post reported.

Fung shui, meaning wind and

water, is the traditional Chinese

art of studying the harmony of

an object in its relationship to

The 73-story building, on the

outskirts of Hong Kong's finan-

cial hub, the Central District,

will be a prism-like skyscraper

consisting of four triangular

ulass and metal shafts emerging

from a granite base. The build-

ing, Bank of China's Hong Kong headquarters, is to be

By Warren Getler

pected pretax profit of about £650

million (\$1.09 billion) for the fiscal

year ended March 31, a senior exec-

utive estimated Wednesday in an

The figure, based on an incom-

plete audit, represents a 7 percent

decline from £701 million in earn-

ings the previous year and is lower

than analysts' projections. They have forecast that General Electric

will post a profit between £675 mil-

that his estimate could change

when GEC reports its fiscal 1987

earnings in early July. GEC, an

electronics, telecommunications,

engine and arms conglomerate, is

not related to General Electric Co.

denied Wednesday any intention to launch a bid for GEC and empha-

sized that it did not own a single

share in the conglomerate. Persis-tent rumors earlier this week sug-

gested that Hanson had acquired a

4 percent holding in GEC to lay the

Mull Cocoa Merger

ROTTERDAM --- W.R. Grace

& Co. of New York and S&W Ber-

isford PLC of Britain are discuss-

ing merging their cocca-processing

interests to form one of the largest

cocca businesses in the world, a spokesman for Berisford Cacoa

Nederland BV said Wednesday.

Ambrosia of the United States.

180,000 metric tons (198,000 short

a result of the increasing concentra-

tion of international cocoa-pro-

He said that the merger would

involve five cocoa processing

Grace, Berisford

Separately, Hanson Trust PLC

The company official cautioned

lion and £690 million.

of the United States.

groundwork for a bid.

completed in 1988.

HONG KONG - The Bank

last year compensated partly for

Income from flying operations fell by 4 percent to 8.37 billion DM while expenditures declined 1.7 percent to 8.62 billion.

Results on the North Atlantic route last year were clearly hurt by the weaker U.S. currency, the company said. It also cited the reluctance of American tourists to travel because of fear over terrorism and the Chemobyl nuclear disaster. Despite this, Lufthansa said that

passenger volume on the route rose by 14.4 percent while passenger volume fell an average 10.9 percent for North American airlines. Passenger revenue as a ratio to distance traveled rose 8.5 percent,

while freight traffic climbed 17.1

percent. Group earnings rose 6 per-

cent to 70.61 million DM from

66.38 million to 1985, Lusthansa said it would be forced to consolidate routes in several regions this year, but it gave no details. It said that several destinations would also be added, howev-

Volvo Says Profit Fell 18%, Cites Weaker Dollar

ional Herald Tribun

GOTEBORG, Sweden -Volvo AB, the automotive, energy and food group, said Wednesday that pretax earnings in the first quarter of 1987 dropped 18 percent, largely because of the weaker dollar.

Earnings were 2.01 billion kronor (\$322.92 million), down from 2.45 billion kronor a year earlier, although sales rose 5 percent, to 21.64 hillion kronor from 20.66 billion. Car sales were down slightly to 9.3 billion kronor from 9.39 billion.

Volvo said its first-quarter sales were 1.2 billion kronor lower than they would have been had the dollar been at its first-quarter levels of 1986. The company's chairman, Pehr G. Gyllenhammar, said a major problem was high sales in the weak dollar and high component purchases in strong Deutsche marks.

Officials declined to forecas earnings for the year.

Sony Says Net Plunged 56% In Period as the Yen Soared

TOKYO -- Sony Corp., the Japanese maker of video and audio

Net group profit plunged to 13.26 billion yen (about \$95 million at current exchange rates) from 30.13 billion yen in the comparable five-month period of the previous

Charles Schwab Ponders

ing of its common stock.

It did not specify the size or other goods had been favorable.

Sony said it was optimistic, how

goods, said Wednesday that the strong yen slashed profit by 56 percent in the five months ended March 31 and that the outlook for its current fiscal year was "dismal."

fiscal year, Sony said.

The company reported for only

Initial Public Offering

SAN FRANCISCO — Charles Schwab Corp., parent of the largest U.S. discount brokerage firm, Charles Schwab & Co., said it is considering an initial public offer-sales of television sets. But it said

iary, sold by BankAmerica Corp. in February, posted earnings of about \$32 million in 1986 on sales of

process of changing its fiscal to begin on April 1 instead of Nov. 1. Although sales rose on a non-yen basis in the United States and Europe, profits slumped because of the conversion into the strong yen,

> The year has appreciated by about 45 percent against the dollar over the past year and a half. Its rise also has hurt Japanese manufacturers by boosting the overseas prices of their products.

Sales fell about 5 percent, to 547.8 billion yen from 577.9 billion a year earlier, as the dollar's value declined to an average 156 yen from 193.

"The outlook for the next fiscal year is dismal," the company said in a statement, predicting that the yen would remain strong.

Sony's sales of video equipment, its major product, dropped sharply in the five-month period along with that sales of audio equipment and

Sony said it was optimistic, however, that its group profit would rise 20 percent, to 30 billion yea, in the financial year beginning April

Italy Sets Back ENI-Montedison Merger Talks

LONDON — General Electric denial, ending the day 12 pence Co. PLC, the British conglomerate lower at £2.28. at the center of recent takeover The GEC executive said that his rumors, will post a lower-than-ex- company was actively seeking acisitions of its own, particularly in U.S. aerospace concerns. He said that GEC had submitted a closed bid for the aviation unit of Lear

Siegler Inc., the U.S.-based electronics and arms group recently acquired by the investment concern Forstmann Little & Co. Forstmann announced earlier this year that Lear's aviation group, chemicals is inconceivable. which is expected to post \$700 mil-

lion in sales for the fiscal year ending June 30, was seeking a buyer.
The GEC official said he believed that a handful of U.S. companies and several other British companies had submitted bids for the unit. Morgan Stanley is serving

as the broker for the sale. He said that GEC was likely to submit a second, more competitive bid. He said he doubted that U.S. restrictions on foreign ownership of defense companies would eliminate GEC from the running, but suggested that GEC, or any other foreign firm, could not be consid-

ered the front-runner. The official asserted that GEC was anxious to obtain a far higher return on its present cash surplus of £1.6 billion, which he said has

yielded about 10 percent annually. GEC's performance is expected to improve dramatically in fiscal 1988, the official said, with domestic and foreign orders accelerating in the group's power-generation di-vision and in GEC Avionics.

He said that lower profit for fiscal 1987 would reflect substantia write-offs in GEC's Marconi radar divison in addition to a £21 million write-off, previously announced, on the group's investment in Nim-rod airborne-early-warning radar at its GEC avionics subsidiary.

plants: Berisford Cacoa and Cacoafabriek de Zaan of the Nether-Pretax earnings also were reduced by about £8 million by a three-month strike at GEC's chief ands, Koscho of West Germany, Zaan Far East of Singapore and diesel-engine plant. In addition, the official said, weak earnings were The five produce a total of about posted by the group's high-voltage electronic switching gear division.

tons) of cocoa a year. The talks are Group sales were largely unchanged, he said, at between £5.2 cessing businesses, the spokesman and £5.4 billion.



Listed on the Amsterdam Stock Exchange

GEC Profit Will be Lower Than Expected, Official Says GEC's share price dropped sharply Wednesday after Hanson's

> International Herald Tribune ROME - Prospects for an structuring of lialy's chemical industry were dealt a blow Wednesday by Clelio Darida, the minister for state industries.

> Citing the "strategic" importance of maintaining a strong government presence in the industry, Mr. Darida stated that "a withdrawal of ENI from

Ente Nazionale Idrocarburi, or ENL, is the state energy and chemical holding company. It has been talking with Montedison SpA, the Italian chemical company, on merging chemical

A merger would have created a company with combined annual revenues of about 16 trillion lire (about \$12 billion). making it the world's sixth-largest in sales, following Imperial Chemical Industries PLC of Britain and ahead of Ciba Geigy AG of Switzerland.

Ford Guarantees Scorpio's Resale Value

By John Holusha DETROIT - In an effort to woo buyers of high-priced European cars, Ford Motor Co. is introducing a new marketing tactic with the debut of its Merkur Scorpio model: a guarantee on resale value.

Ford is guaranteeing that the car, which officially goes on sale Thursday, will not depreciate at a faster rate than the Mercedes-Benz 190. If it does, Ford says, it will make up

Scorpio is the second model to be marketed by Ford under the Merkur brand since it was established

Germany and is sold through Lincoln-Mercury dealers.

One of the characteristics of such high-priced European cars as Mercedes-Benz and BMW is their high resale value. According to figures from the importer, 1984 Mercedes-Benz 190E models are selling at about 75 percent of their original price, compared with 65 percent for car must be traded within two to

typical 1984 American model. door Scorpio to the Mercedes-Benz only to the purchase of a new Lin-190 model, Ford's marketing pro- coln. Mercury or Merkur.

nack, 50, headed the company's

European design team from 1974

to 1976. He will now oversee design

operations in West Germany, Italy,

Aerodynamic styling began in

Europe during the oil crisis of the

1970s, and Ford's European divi-

sion adopted it to save gasoline.

facturing company, became presi-

Générale de Banque SA of Brus-

sels, which opened a Madrid

branch in 1982, has started up a

second Spanish branch, in Barcelo-

na. The bank appointed Jaime Hap

as director, Mr. Hap, 33, a Belgian,

formerly was deputy director in

charge of investments at Banco di

Roma's headquarters for Spain, in

Grolier Inc., the Danbury, Con-

children's books, has promoted

Andrew Reinhart to president and

Clarke, 58, who remains chairman

Mitsui & Co. of Japan has pro-

state oil company, last year.

Brazil and the United States.

according to Mr. Telnack.

in 1984. Like the first model, the gram is trying to associate the rela-XR4Ti, the Scorpio is manufactively unknown Merkur with the tured by Ford's subsidiary in West prestigious German automaker.

When the original buyer of a Scorpio trades it in, the dealer will consult the used-car prices published by the National Automobile Dealers Association. If the Mercedes has a higher retained value, Ford will make up the difference.

Under the terms of the plan, the four years of its purchase and any In linking the value of the four- reimbursed amount would apply

Upjohn Co., the Kalamazoo.

Michigan, pharmaceutical manu-

facturer, has promoted Theodore

Cooper, a vice chairman, to suc-

ceed Ray T. Parfet Jr. as chairman

and chief executive. Mr. Parfet, 64,

will retire July 1. Lawrence C.

Hoff. Upjohn's president, received

the additional title of chief operat-

ing officer. Both Mr. Cooper and

BUSINESS PEOPLE

2 More Executives Leave In Merrill Lynch Shake-Up

By Arthur Higbee International Herald Tribuni

Two more executives have left Merrill Lynch & Co. following the staggering trading losses an-nounced last month, The New York Times reports. The executives were the supervisors of Howard A. Rubin, the recently dismissed executive whose unauthorized trading contributed to a \$275 million loss.

Robert P. Andres, president of Merrill Lynch Mortgage Capital Inc., and D. Gregory Herschell, the Year as Brazil's ruost out-manager of mortgage-backed secu-rities trading, both resigned Tues-56, a former president of Embraer. day under pressure. Company officials said they expected no further

Separately, Merrill Lynch confirmed that Eugene H. Rotherg, 57, vice president and treasurer of the World Bank for the last 19 years, would become one of six executive vice presidents. The bank said Mr. Rotherg was leaving despite re-quests from the bank president, Barber B. Conable Jr., that he stay. Mr. Rotherg will supervise worldwide sales and trading. He and a Merrill spokesman both said that their initial talks took place

even before Merrill became aware of the large losses in its portfolio. Jerome P. Kenney, president of Merrill's Capital Markets Group, and his subordinate, Brian M. Barefoot, head of all securities trading, have been relieved of their trading responsibilities as a result

of the incident.

Ford Motor Co. has promoted John J. Telnack to vice president of design. He moves up from chief designer for Ford's North American operations, where he was credited with replacing the box-shaped look of Ford's cars with the rounded lines of its new aerodynamic design, as in the Taurus and Sable Kopka, 60, who is retiring. Mr. Tel- dent of the parent company.

De Benedetti Confirms He Is Subject of Probe

ROME - The chairman of Olivetti SpA, Carlo de Benedetti, confirmed Wednesday that he had received notice from magistrates that his role during a brief period as vice was under investigation.

Banco Ambrosiano collapsed in August 1982.

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AMSTERDAM DEPOSITARY COMPANY N.V. 12th May, 1987.

Mr. Hoff are 58. Gencorp says that Shane O'Neil has resigned to pursue other business interests. Mr. O'Neil, 40, had been president of Gencorp's entertainment division, RKO General since 1983. Mr. O'Neil's grandfather. William, founded Gencorp's predecessor, General Tire & Rub-

Petrobrás's president. Oziris Silva, has been named the Brazil-USA Chamber of Commerce's "Man of ber Co., in 1915. Mr. O'Neil was the last family member to hold an operating position in the company the Brazilian state airplane manu-He will be replaced by Pat A. Servodidio, 49, president of RKO dent of Petrobras, the Brazilian Television for the past five years.

Director Is Named For New Center At IBM Europe

PARIS - IBM Europe has appointed H.F. Budd as its director of scientific programs. He will head the new IBM center for numericalnecticut publisher of reference and ly intensive computing at its European Center for Scientific and Enchief operating officer. Mr. Reingineering Computing in Rome.

hart, 64, had been executive vice The parent company, Internapresident. He succeeds Robert B. tional Business Machines Corp., has set up other numerically intenof the board and chief executive sive computing centers in Japan and the United States.

Such computing typically inmoted Hisao Kondo to the presivolves extremely large numbers of dency of Missui & Co. USA. an international trading firm. Mr. cluding geophysics, engineering Kondo, 59, has already been as- and life scientific scientific and life scientific and Mr. Budd. 50, who is American.

signed twice to the United States by Mitsuí, in New York and Housholds bachelor's and master's deton. He succeeds Mamoru Tabu- grees from the Massachusetts Instichi. 63, who is returning to Tokyo tute of Technology and a doctorate cars. He will succeed Donald F. to serve as an executive vice presi- from France's Ecole Normale Su-

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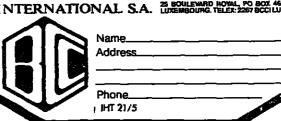


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Dollar Eases After Citicorp Move

LONDON — The dollar closed marginally lower Wednesday in Europe, with dealers perplexed over the likely impact on foreign exchange markets of Citicorp's allocation of \$3 billion to its loanloss reserves.

Brown

But traders also cited caution over reported central bank intervention to support the dollar.

The dollar fell briefly below 1.77 Deutsche marks in early trading, but the market lacked fresh incenrives to push it down further at a time when central banks are watching the market closely, one U.S. hank dealer said

The Bank of Japan was believed to have purchased dollars for marks in the Tokyo market carlier Wednesday, dealers noted

The dollar later picked up to trade within a narrow range for the rest of the day, reflecting the prevailing wariness.

In London, the dollar fell to 1.7740 DM from 1.7775 at Tuesday's close, to 139.60 yen from 140.05, to 1.4550 Swiss francs from 1.4585 and to 5.9295 French francs

The British pound also rose against the dollar, to \$1.6835 from for fear of making it more difficult other currencies on rumors that a their debts.



new opinion poll on Thursday would show a narrowing of the Conservative Party's lead ahead of the June 11 election. For example, the pound dipped to 2.9847 DM

from 2.9915. Citicorp's decision Tuesday has been largely built into current exchange rates, one dealer said, but the market is still uneasy about U.S. banks' exposure to doubtful

Many dealers said that Citicorp's debt move could weaken the dollar by delaying a widely expected rise in the U.S. discount rate, thus making the U.S. currency less attractive for investment purposes.

In this scenario, dealers believe that although the U.S. Federal Reserve wants to support the currency and limit inflation, it would be unwilling to raise its 5.5 percent rate \$1.6830. However, it eased against for developing countries to service

"This affair just adds to the general bearish sentiment toward the dollar," one dealer commented. "That's why there was no aggressive selling, but it will have a long-lasting influence."

But the feeling was far from uni-

The move might actually benefit the dollar by spurring a so-called "flight to quality," in which inves-tors often bid for dollars so they can buy U.S. Treasury securities, another trader commented.

In New York, the dollar was slightly higher in slow but nervous morning trading, with many market participants reluctant to take large positions for fear of central bank intervention.

Some dealers said that the Fed was thought to have bought a small amount of dollars for yen in morning trading helping to push the U.S. currency to 139.725 yen from 139.525 at Tuesday's close. The dollar also rose to 1.7762 DM from

Earlier in Europe, the dollar was fixed in Frankfurt at 1.7697 DM, down from 1.7827 on Tuesday, and in Paris at 5.9220 French francs, down from 5.9570. It closed in Zurich at 1.4485 Swiss francs, down from 1.4583.

Japan to Relax Overseas Futures Ban on Friday

The Associated Press

TOKYO - A ban on overseas trading of financial futures and options will be officially lifted Friday for some Japanese institutions, a Finance Ministry official said Wednesday.

The official asked not to be identified. The Finance Ministry decided in April to allow major financial institutions such as banks, insurance companies, brokerage houses and investment trusts to participate in financial futures trading abroad when the ban is partially lifted this month.

Such institutions have been prevented from trading directly in overseas financial futures markets except through their foreign-based subsidiaries.

Lifting the ban only for a limited number of leading institutions reflects the Finance Ministry's cautious stance in slowly liberalizing such trading. The special money trusts

used by corporate clients to invest in the securities and money markets are still excluded from direct participation.

Gold Hits 4½-Year High on Citicorp Action, Then Eases

LONDON - Worries about the developing country debt problem and the health of the banking system propelled the gold price about \$13 higher at one point in trading Wednesday from Tuesday's finish, to hit its highest level since early

Prices later eased, but the markets remained jittery. Gold ended the day at \$475.75 an ounce, \$6 up on Tuesday's close

of \$469.75 but off the earlier high of \$482.50, dealers said. The sharp rise followed Tues- tries," said Toranobu Sugai, vice

some analysis said was a recognition that much of its loans to developing countries may not be repaid. The dollar also slipped after the news, and share and bond prices tumbled across the globe.

Tokyo's stock market took the second biggest one-day nosedive in its history. The Nikkei average closed 658.28 points down at 23,419.60.

"Japanese banks also lend much money to Latin American coun-

U.S. bank group, to assign \$3 bil-lion to its loan loss reserves, in what Tokyo branch.

Later, however, dealers in Europe grew somewhat less nervous. The dollar steadied and gold - a safe haven for investors in time of stress in the global economy eased back to a London morning an important step in handling the setting at \$479.95. Still, that was the highest London fixing since February, 1983.

Some profit-taking and selling from the Middle East and Switzerland then pushed prices lower in day's move by Citicorp, the largest president for Japanese equity trad- New York markets opened lower.

After the Citicorp action, financial markets worried that other banks would have to take similar

action, reducing their earnings. But Franz Luctolf, general manager of Swiss Bank Corp., said in Zurich that the Citicorp move was

bank's debt strategy, said. "I welcome this step. It's absolutely right. We banks have to build up reserves. People will very quickly relight trading. Gold fell further after alize that the increase in reserves will have a stabilizing effect."

YEN: As Japanese Sourcing Turns Costly, U.S. Firms Try to Hedge Their Bets

(Continued from first finance page) two years ago now fetching only around 140 yea, the value of such supply agreements to the Japanese

has plunged by 46 percent. On the other hand, if the contract called for the Japanese goods buyer who is feeling the pain. The dollar's decline has meant that it takes \$1.85 to buy what used to cost

If the Japanese had passed on this cost, U.S. companies and consumers would be paying nearly \$60 billion more a year for Japanese imports. But, eager to maintain their market shares in the United States, many Japanese companies have been reluctant to push for

price increases. "I estimate that the Japanese have absorbed three-fourths of the hit," said Stephen Marris, an economist at the Institute for Interna-

tional Feonomics in Washington. But the Japanese appear to be reaching the limit they can absorb. U.S. companies report that Japanese suppliers are much more aggressively seeking both price increases and adjustment provisions in contracts to protect them from a further rise in the value of the yen.

"I suspect that nearly all contracts in the past year or so have escalator or adjustment clauses, said Robert J. Bretz, head of the National Association of Purchasing Agents and director of corporate purchasing at Pitney Bowes Inc., the mailing equipment com-

pliers are seeking to have the ad- and options that operate as an in- shipments." justments, which are usually based surance policy against major losses on average exchange rates in a re- from changes in the exchange rate. cent three- or six-month period,

made sooner and more frequently. offer only limited relief. It is generswing has varied widely. The prices that last more than three to six currency swing. to be paid in yen, it is the U.S. of such products as videocassette months. recorders have not gone up because the Japanese face competition from such heights that even some of the producers in such countries as Ko- U.S. companies that had currency rea and Taiwan.

The impact of the currency ally too expensive to buy contracts with Japanese suppliers, despite the

Meanwhile, the yen has reached protection say that they can no

The yen has reached such heights that even some of the U.S. companies that had currency protection can no longer afford their agreements to outsource from Japan.

Price increases may be bearable longer afford their agreements to if the item in question accounts for outsource from Japan. One such small part of a product's total company is Cincinnati Milacron, cost. It can be a much different whose contract with Hitachi Seiki case, though, if the item is a major Co, for small lathes was negotiated

component or an entire product. Briggs & Stratton Corp., of Wauwatosa, Wisconsin, watched its in yen, called for Milacron to abprofit margin shrink and then dis- sorb the first 4.2 percent of any appear on a lawn mower it makes dollar decline and for both compathat is powered by a two-cycle en- nies to split the cost of the next 13 gine imported from Komatsu Zen- percent, to 200 yen. oah Co. Unfortunately for Briggs, the contract was priced in yen, with them and said we needed oth-Briggs said it expected to renew the er arrangements," Mr. Shively of

also have turned to such financial

when the dollar was worth 240 yen. The contract, which was priced

"When it got to 200, we sat down contract on more favorable terms. Milacron, said. They delayed the able suppliers. Even companies In the past two years, agreements agreed delivery schedule. They once famous for their lierce incecalling for both parties to share the talked about alternative solutions, impact of the currency swings have such as sourcing the mechanical been common. Many companies parts in Korea or Taiwan, but Corp., now preach the virtues of nothing happened. Finally, we had forging alliances with suppliers.

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Moreover, he said, Japanese sup-instruments as currency futures to bite the bullet and take the last

Purchasing executives and consultants emphasize that there are But such financial instruments plenty of reasons for U.S. companies to avoid severing relationships

> Some, like the purchasing manager of a California semiconductor company who declined to be identified, said that they have little

choice. "We have very complex stamping dies at one vendor's site that would not be easy to move," ne said. "And often the Japanese have added proprietary engineering to improve our machines. Like all the other semiconductor firms, we are

American nurchasing executives also point out that switching from one supplier to another can take time and money. It often involves installing equipment, labor negoti-ations and product testing.

in a box."

"Japan is clearly not the place to source today, but it's not so clear where you should go," said Professor James Womack, director of the Massachusetts Institute of Technology's International Motor Vehicle Project

Modern manufacturing strategies are making companies increasingly reluctant to abandon dependpendence, such as Kodak and International Business Machines

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Citicorp Loan Loss Reserve Clouds Prospects on Debt Crisis If other banks followed Citicorp, "that

WASHINGTON - Citicorp's decision to put aside \$3 billion to protect it against loan losses has taken the Third World debt crisis into uncharted territory.

Citicorp's action is the first concrete step by a U.S. bank toward recognition that the billions of dollars owed by the developing nations may not be repaid.

But if other U.S. banks follow Citicorp, they could strengthen their hand in negotiations to stretch out repayments of Third World debt. "It means a bank can say to a debtor: 'If you

don't talk to us, we'll just sell your debt and walk away and never lend you another pen-" said William Vincent, a banking analyst at Salomon Brothers International in London. But one senior monetary official in Washington, who asked not to be identified, was less

"Far from increasing their bargaining power, it means the banks are saying to the debtors: 'You haven't paid me and now I'm taking the hit." he said.

means they won't be lending more money, and that could seriously strain political stability" in

debtor countries. In Rio de Janeiro, Brazil's finance minister, Luiz Carlos Bresser Pereira, said Wednesday that debt talks between Brazil, the developing

He said that a local Citicorp representative to be ready to collaborate with Brazil, including through the provision of new resources when

In February, Brazil suspended interest pay-Citicorp is owed about \$4.6 billion by Brazil,

to Washington's effort to get U.S. banks to develop alternatives to outright cash loans to debtors

approach," calls on banks to consider swapping and to respond to other innovative suggestions on exchanging debt for investment instruments. Both Argentina and the Philippines recently

Reagan administration strategists developed the "menu" plan last year when it became clear that banks would come up with few new loans

to major debtors in 1986. Treasury Secretary James A. Baker 3d nnveiled the menu approach in April, stressing it

to control the Third World debt crisis.

12 Month High Low Stock



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world's largest debtor, and foreign banks would not be affected by Citicorp's move. had made it clear that the company "continued

the debt is renegotiated." ments on \$68 billion of debt it owes to foreign commercial banks in an attempt to preserve dwindling reserves.

the Third World's biggest debtor, \$2.8 billion by Mexico, \$1.4 billion by Argentina and \$1 billion by Venezuela. In Washington, a U.S. official said the Citicorp decision could add substantial momentum

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The plan, known as the "menu of options debt for shares in debtor country corporations

made proposals, eventually accepted, that enable banks owed relatively small amounts a way to retire that debt.

was up to the banks to take the lead.

An official of the Federal Reserve, the U.S. central bank, was encouraged that Citicorp had underlined continued support for U.S. efforts

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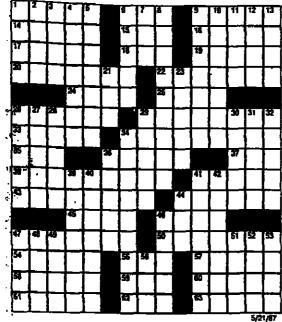
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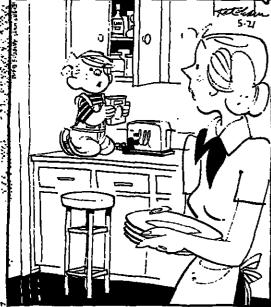
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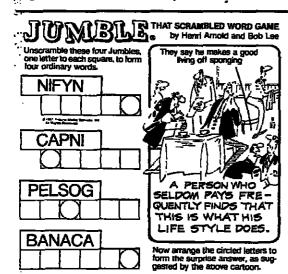
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BOOKS

WAR MUSIC: An Account of Books 16 to 19 of Homer's "Iliad"

By Christopher Logue. 85 pages. \$12.95. Farrar, Straus & Giroux, 19 Union Square West, New York, N. Y. 10003.

Reviewed by John Gross

HOMER has appeared in English speaking in many different accents, and wearing many different guises - Elizabethan, Augustan, Tennysonian, Ezra Poundian, T.E. Lawrentian, to cite only a few. According to George Steiner in "After Babel," there have been more than 200 complete or selected English versions of the Iliad and the Odyssey in the last 400 years.
Whether "War Music" should be added to

the tally is a debatable point. The author, Christopher Logue, an English poet, calls it "an account" of the original rather than a translation, and it is meant to be read as a poem in its own right — but a poem based on Homer, and one that strives to convey something of the essential Homeric spirit.

It consists of three sections: a rendering of Book 16 of the Iliad, in which Patroclus per-suades Achilles to lend him his armor and dies fighting the Trojans; a conflation of Books 17 and 18, in which the Greeks manage to recover Patroclus's body and Achilles resolves to avenge him, and a rendering of Book 19, in which Achilles and Agamemnon, the Greek commander in chief, settle their differences. and Achilles rides off into battle.

Sometimes Logue follows Homer quite closely; sometimes he paraphrases or compresses. But he also invents, embroiders, chops and changes, and dispenses with whole sec-tions when it suits him. The most conspicuous casualty is the description of the richly deco-rated shield that Hephaestus makes for Achil-les, which takes up something like a quarter of Book 18 in the Iliad itself.

The medium that Logue has chosen for telling his story is primarily a flexible form of blank verse, but he allows himself many variations: short lines, isolated images, repetitions,

example, when the luckless Lycon has had, for example, when the luckless Lycon has his neck severed in battle, we are simply told, according to Robert Fitzgerald's 1974 translation, that "his head toppied, held only by skin." In "War Music" his head hangs down by its skein of flesh "like a malon." flesh "like a melon." Every so often the immediacy of these sav-age events is reinforced by the use of 2002

extreme violence.

century imagery or a contemporary colloquist-ism — we hear about "bronze flak," about a plane touching down, about pistol-whipping. At the end, when Achilles mounts his chariot. The whip

sudden shifts of emphasis, staccato dialogue. J.

The general effect (though there are more lilt-

ing passages, too) is jagged and abrupt, which is only as it should be — for the most obvious feature of the action in "War Music" is its

True, Homer can be very violent, too, but

Logne outdoes him in brutality and fearsome detail. Faces are smashed and mashed, hodies

mutilated and disfigured, and grotesque com-parisons point up the ferocity. In the Iliad, for

Fires in between the horses' cars: And as in dreams, or at Cape Kennedy, they rise, Slowly it seems.

And why not? They are sacred borses, super-natural horses — and the notion of an Apollo mission could be said to be hovering in the background. It was Apollo who enabled the Trojan hero Hector to kill Patroclus, and it is Apollo who will eventually abandon Hector and enable Achilles to kill him in turn.

Logue is sparing in his use of such anachronistic effects, however, and "War Music" is far from being a modern-dress version of the Iliad. The most modern thing about it is the cinematic fluidity of the narrative; but its key images remain broadly Homeric — the very last thing we see, as Achilles's chariot races away, is a spear that has been left stuck in the sand. Often, indeed, it seems more archaic and more barbaric than Homer, or at any rate than most previous English versions of Homer.

Although Logue doesn't read Greek, he has benefited from the guidance of a number of noted scholars, and it is to scholars that the question of how Homeric the poem actually is must be left. What an ordinary reader can do. however — and it is an interesting exercise — is compare Logue with other translators in the light of a remark of Johnson that he quotes in his introduction: "We must try its effect as an English poem; that is the way to judge of the merit of a translation."

"War Music" has its weaknesses and its puzzles. I can't see why Apollo is referred to as "Mousegod," for example (I hope it isn't a pointless pun on Stravinsky's "Apollon Musagète"). But in general Logue's miniature epic is a remarkable achievement, and one that justifies its title. The war it portrays is real, and harsh, and horrible; but the music is real, too. ____

John Gross is on the staff of The New York

BRIDGE

By Alan Truscott

A GOOD MEASURE of the played hearts, ruffing the third round.

The declarer led a trump from is the Von Zedwitz Double, the dummy and captured the Knockout Team Championship, lasting almost a year.

The player with the best record in the event in recent years is Michael Radin of Manhattan, who has reached the final in all of his last four tries. His team became the first to do so in the current season, as the only undefeated squad from the original entry of 36.

Radin and four teammates, in play at the Beverly Club Tuesday night, won comfortably by 52 international match points, relegating their opponents, a foursome headed by Dorothy Truscott of the Riverdale section of the Bronx, to the once-defeated bracket.

Radin sat East on the diagramed deal and with West defeated a contract that appears impregnable. South landed in four spades after a Precision Club auction and received the lead of the nine of diamonds.

This was covered with the mond continuation was taken jacks, king and ace, and South

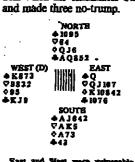
queen with the ace to reach this position:

♦Q4 ♣ÅQ852 ♦ K87 79 •5 •KJ9 SOUTH ∇-073 **4**43 If South had now taken the

chib finesse and persevered with that suit, he would have emerged with an overtrick, But he routinely led another trump in the mistaken belief that the club finesse could wait.
The defenders showed him the error of his ways when West took the spade king and exited with his remaining diamond.

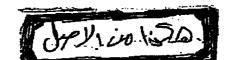
The queen won, and a dia-

by West who played a fourth round after a club discard from his partner. When South ruffed low, West overruffed and did-not make the error of playing his last heart. Instead he led the club jack and the winning Imesse came too late for the declarer. The spade eight scored the setting trick Radin gained 10 points on the deal when his teammates bid



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Going, Going.

ANAHEIM, California - Something incredible has happened to the game of major league baseball during the last three seasons: home runs.
From Memorial Stadium in Baltimore to Wrigkey Field in Chicago and on west to Anaheim Stadium near Los Angeles, baseballs are flying out of on west to Ananeam Statum near Los Angetes, casecoans are flying out of ball parks everywhere. Little players such as 5-foot-6 (1.67-meter) Rafael Belliard and 165-pound (74.8-kilogram) Alan Wiggins are hitting them. Big players such as Dave Winfield and Dave Parker are hitting them. They are flying out against good pitching and bad pitching, against mild breezes and tough winds.

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This in a game that prides uself on consistency, of one generation of stars joining, then dissolving into the previous. The ball may not be a jaiced-up "rabbit," as some claim, but it's certainly not dead.

Only once have there been two 200-homer teams in a major league season. This year, six teams are on a pace to hit 200. Home two are up 31 percent in the National League, 10 percent in the American. A year ago, the National League had three 30-homer players. This year, 15 are on a pace to hit 30, and four - Eric Davis, Andre Dawson, Mike Schmidt and Dale Murphy - are on a pace to hit 50 or more. A year ago, the American League had 10 players with 30 homers. This year, 18 appear to be en route.

Scoring is up almost a run per game in the National League, where the league-wide batting average has risen from .253 to .263 in a year. Scoring is down slightly in the American, but its players are on a pace to set home run and strikeout records for the third straight year. "The ball is hot," said the Detroit Tigers' manager, Sparky Anderson.

"It's hotter than I've ever seen it." Others say it's not. "It's carrying the same way it always has," said Fred Lynn, the Baltimore center fielder. "The difference? Maybe players are

Last week, after hitting a batting practice homer to a spot just beneath the rooftop light tower at Tiger Stadium, Detroit outfielder Pat Sheridan

smiled. "I think the balls are made by Titleist now," he said, referring to Major league baseballs still come from the Rawlings Sporting Goods Co. of St. Louis, although they are made in Haiti. The Rawlings people

say that, other than switching from horsehide to cowhide in 1974, the

balls haven't changed in 19 years. And, they say, they have test results to But the Kansas City Royals' manager, Billy Gardner, threw one at the ground and said, "See that? If there were a carrot near it, the ball would

cat it. Is that alive or what?" Turning serious, he said, "I honestly believe the ball is juiced up. I've seen balls leave parks that I've never seen get out before. Bo Jackson is a owners realize that." big, strong kid, but he hit a broken-bat home run a couple weeks ago. I

Cubs Win Singularly, **Orioles Homer Onward**

CHICAGO - The Chicago Cubs, who lead the National League with 53 home runs, took a shorter route Tuesday to defeating the Cincinnati Reds, getting 14 singles and a double during a 9-2 victory that extended their winning

streak to five games.
But the Baltimore Orioles, the home run leaders of the major leagues, with 63, continued to hammer away, bitting three during a 15-4 rout of the Seattle Mariners. The Orioles have hit a major-league record 35 homers in their last 12 games, crasing the mark of 31 set by the 1947 New York Giants.

The Cubs' Andre Dawson, who had four of the singles, said "it just proves you don't have to hit home. runs to score a lot of runs," and the Reds' manager, Pete Rose, observed that, "They all count."

Shawon Dunston, Keath Moreland and Jerry Mumphrey each drove in two runs, while Rick Sutcliffe became the NL's first pitcher to win seven games, two more than he did all last season. He gave up live hits and two runs, walked five and struck out three before leaving the game unhappily in the seventh after giving up a double and two

valks to load the bases. ু 📲 Sutcliffe, 7-2, went 5-14 with a

BASEBALL ROUNDUP

his trade from the Cleveland Indians early in the season.

The triumph, coupled with St. Louis's loss, gave the Cubs a one-game lead over the Cardinals in the NL East and dropped the Reds out of first place in the West, behind San Francisco. The Reds' loss was their fourth straight, a streak that started Friday in St. Louis when outfielder Eric Davis sprained his left shoulder. Davis has not played since, but Rose said the streak and the absence were not connected.

"We haven't lost four in a row because of no offense," said Rose. "The gays playing for us are doing a pretty good job. If our pitchers give us a cliance to win, we'll win."

Braves 6, Cardinals 5: In Atlanta, Dion James doubled off St. Louis relief ace Todd Worrell with one out in the bottom of the ninth and scored on Ted Simmons's single. The Braves, who trailed by 3-0 before ever coming to bat, tied at 5 in the eighth on pinch-hitter Graig Nettles's two-out, two-run single

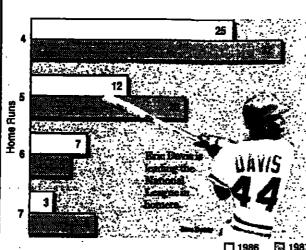
off Worrell drove in a run in the seventh to end a

eco (5), McGwire (13).

NATIONAL LEAGUE

Worrell, 0-2. HR-Altonia, Virgil (13).

The number of games with four or more homers has increased significantly



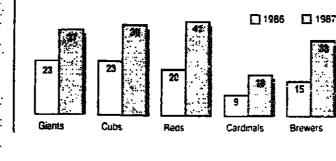
cased first in a layer of black rubber and then in a layer of red rub-

ber, shown at left. This pill, or nucleus, is covered by three wrap-

pings of 300 yards of wool yarn (gray, white and gray) and one

Increased Output

Here are some teams that dramatically increased their home run total the first month of 1987, compared with 1986.

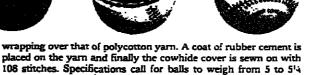


Putting the Pieces Together/ The materials of a baseball are made in the United States and assembled in Harb.









ounces and measure from 9 to 914 inches across two seams.

.... 277.44...

a disclaimer. "When I'm in a good pitching groove, I don't see any difference at all. The balls I think should be caught are caught, and the

mean, you're telling me he's that strong? In my day, the second baseman would have caught that ball." Baltimore pitcher Scott McGregor agreed, up to a point. "I do believe the balls are wrapped tighter or whatever," he said. "Why not? It has ones that would have been out 10 years ago are not any farther out." Many major-leaguers agree with the Rawlings people. They say the balls are not different, and that home runs are being hit for other reasons. become an offensive game. Home runs are what sell tickets, and the But McGregor, who had allowed 42 homers in his last 40 starts, added the No. I reason. They say there are fewer top pitchers than ever before, year." he replied. "We just put 'em in the ball bag and let 'em multiply."

... It's Far Out

youngsters are being rushed through, or past, the minor leagues. "It's getting ridiculous," said one American League general manager.

"If you find a guy who can throw strikes, he'll be in the big leagues fast.

We're desperate for pitching."

Cal Ripken Jr., the Baltimore shortstop, had a different opinion. "I anything's juiced up, think the ball is carrying the same way." he said. "If anything's juiced up, think the ball is carrying the same way." it's the bat speed. You see more guys doing weight and conditioning work, and you see more players able to hit homers

Said McGregor: "The game has evolved so much. A few years ago, pitchers started coming out of the minors so polished they'd throw change-ups and curveballs on 2-0 and 3-2 counts. You never used to see that. Now, you see hitters coming up looking to drive the ball on counts like 0-2 and 0-1. Those used to be counts when the hitters were more defensive. Not anymore."

Research by the Elias Sports Bureau supports the opinion that it is the players, not the balls, that are different.

The bottom line is that there's a direct correlation between a rise in home runs and a rise in strikeouts," said Peter Hirdt of Elias. "That's something that holds up independent of all other factors. If you know one number, you can predict the other with a fair amount of accuracy."

Hirdt's point was that players are trying to hit more homers, and paying for it with more strikeouts. And he made another: That among veleran players, especially in the National League, home runs are up only

There is no question that a new generation of powerful young players has emerged since 1985, the year home runs first increased dramatically. In the National League, those players include Sid Bream (Pittsburgh), Kal Daniels (Cincinnati), Benito Santiago (San Diego), Franklin Stubbs (Los Angeles), Candy Maldonado (San Francisco) and, especially, Cincinnati's Davis.

The AL class of '86 included Wally Joyner (Caifoirnia) Jose Canseco and Mark McGwire (Oakland), Cory Snyder (Cleveland) and Pete Incaviglia and Ruben Sierra (Texas). This league also is loaded with young home run hitters who came of age at about the same time: Jesse Barfield and George Bell (Toronto), Gary Gaetti (Minnesota), Jim Presley (Seattle), Rob Deer (Milwaukee), Mike Davis (Oakland) and Ripken and Larry Sheets (Baltimore).

But, as with most debates, it depends on where you sit. "Well, there are a lot of home runs being hit in both leagues," said Jim Fregosi, manager of the Chicago White Sox. "But most of the ones I've seen have been hit by the other team. It's not that lively when we're

Chuck Hartenstein, Milwaukee's pitching coach, was asked if there is Privately, many baseball executives point to a sharp decline in pitching as more "rabbit" in the balls this year. "We won't have to buy balls this

All's Right With the World Again at Wrigley

By Ira Berkow

New York Times Service CHICAGO - For nearly two months, the faithful at Wrigley Field had risen for the seventhinning stretch, turned west to an empty window in the broadcasting booth and sang, "Take Me Out to the Ball Game.

Harry Caray, the Cubs' broadcaster, had leaned out of that window, holding a long silver micro-phone like a baton, and urged the congregation, "Now let's hear yah! Ah-one, ah-two, ah-three, Take me out to the ball game, take me out with the

But for almost two months there was no Harry Caray in that window. Caray, at age 70, had suffered a stroke in February. Monday, for the first time since his illness, he

was back, being cheered like mad, and warbling as of old. "The new Harry Caray," as he described himself. He had lost 41 pounds during his illness and

rehabilitation, and ate less and drank a great deal less, and went from 229 pounds to 188. His doctor told him he had to stay that way. No more late-night drinking bouts, he said, no more late-night eating binges. The self-proclaimed Mayor of Rush Street, a center for Chicago night life, will spend more time resting. Oh, perhaps there

will be nights when a bus driver, as in days of yore,

will stop in the middle of the street, ask Caray to board, and Caray will go through shaking hands with the passengers and exit in the rear.

But Caray, the broadcaster of the people, will surely one day again be out in the bleachers on afternoons for a few innings, calling the game from among the fans, his gravelly voice competing against the wind in the microphone, as he tries to snatch his flying papers and notes.

Though his girth has shrunk, his hair is still

white, his glasses thick, his laugh ready, his effer-vescence fresh, his salesmanship sharp. He is still selling his product — baseball and the Cubs — and still selling himself, as he has done for the last 44 years, as a broadcaster for the Cardinals, the A's, the White Sox, and, from 1982, the Cubs.

He was a nationally known figure even before the station on which he now broadcasts the Cubs, WGN, became a superstation, and so is regularly watched and listened to in most of the states of the union, and the Soviet Union (he once got a letter in broken English from a Russian who had devised some kind of satellite dish).

Stepping onto the playing field a few hours before the game, Caray breathed deeply. "It looks beautiful," he said. "The green grass, the ivycolored walls - it's baseball the way it's meant to be played."

A vendor called out, "We missed ya, Harry, the whole town missed ya."

Mets 5, Padres 4: In New York, had an RBI triple, hit a two-run straight victories, they have not Howard Johnson's seventh-inning shot in the eighth. He and Eddie won since a 6-4 game against Seat-Pirates 5, Astros 2: In Pittsburgh, sacrifice fly scored Keith Hernandez Murray each had three hits, while tle on May 2.

Orioles 15, Mariners 4: In Seat- and scored once. tle, Jim Dwyer, Larry Sheets and

Bobby Bonilla and Johnny Ray each with the run that beat San Diego. every Oriole starter had at least one

CONFERENCE FINALS

May 16: LA Lakers 97, Seattle 8
May 19: LA Lakers 112. Seattle
May 29: LA Lakers at Seattle
May 25: LA Lakers at Seattle
x-May 27: Seattle at LA Lakers
x-May 27: LA Lakers at Seattle

PGA Leaders

Poul Azinger
 Poyne Stewart
 Mark Calcovece
 Ben Crenshow
 Corey Pouls
 Lonny Wadkins
 Larry Mize
 Hall Sutton

Golf

Sucliffe, 7-2, went 5-14 with a 4.64 earned-run average last season. In 1984 he won the Cy Young Award and led the Cubs to the East Division title by going 16-1 after

Gants 6, Expos 2: In Montreal, Ken Gerhart each homered as Balwankee, Carlton Fisk and Greg winner by limiting Boston to six with 18.

Walker each hit a two-run homer as bits. Saberhagen improved his sively," said Daly. "We settled for two in San Francisco's first three on homer during a six-club-record losing streak to 12; after the control of t

land, California, rookie Mark
McGwire hit his AL-leading 13th
The Pistons shot 42 percent homer after teammate Jose Can-the field. 10 percent less than the seco, who got 33 as a rookie last Celtics. But the Celtics got 21 points year, hit his lifth this season in the from Kevin McHale. who, like Par-

one out in the bottom of the ninth beat Minnesota. Snyder, in a 6-for- onds left in the period gave Boston points — 11 in the third quarter — When McDaniel missed, the long 67 slump, had entered the game as a a 13-point advantage. The Pistons, and 14 rebounds, his best playoff rebound came out to Johnson, who pinch hitter in the sixth, but ground-ed out with the bases loaded. with a 7-1 burst, closed to 75-68 at the end of the period, but with 4:16

three-run homer on a 3-0 pitch in was meaning less and less. the eighth to end Detroit's six-game winning streak. (AP, UPI) Sichting said, "is being ready."

Ailing Celtics Wound Pistons, Lakers Go 2-0 on SuperSonics Compiled by Our Staff From Dispatched

swinging at it.

BOSTON - With Danny Ainge on the bench with a sprained right knee, the Boston Celtics' game plan Tuesday night was for Jerry Sichting, his backcourt replacement, to take the open jump shot when it was there. Defensively, Sichting was not to let the Detroit Pistons' star, Isiah Thomas, get easy shots.

With Sichting "doing more than his job," according to the Piston's coach, Chuck Daly, and with Rob-ert Parish getting 31 points and 9

NBA PLAYOFFS

rebounds, the Celtics overwhelmed the Pistons, 104-91, in the opener of the National Basketball Association's best-four-of-seven-game Eastern Conference title series.

In the Western Conference final, the Los Angeles Lakers routed the Seattle SuperSonics, 112-104, to take a 2-0 lead in that series.

the 6-foot-1-inch (1.86-meter)

The Pistons shot 42 percent from first inning against New York.

Angels 2, Blue Jays 1: In AnaLarry Bird made only 7-of-22 shots,

In the third period, while the Pis-Bill Laimbeer in the middle, shot 61 percent. Parish, who had 8 points at halftime, got 15 that quarter.

His three-point play with 65 sec-



Bill Laimbeer of the Pistons had his hands full, with Robert Parish and the ball, during the Celtics' 104-91 victory.

In 41 minutes of playing time. Celtics had lost during the playoffs. quarter, when the Lakers wasted to 6-foot-1-inch (1.86-meter) sprained ankles sidelining McHale Worthy's 19-point blitz in the first Sichting made 5 of 10 shots, scored for two games and keeping Parish quarter to fall behind by 49-40, and 12 points and forced Thomas into out of the sixth game of the semifi- in the fourth when the SuperSonics City, Missouri, Bret Saberhagen 6-for-24 shooting. Thomas, who nal against the Bucks, But Thomas rallied again. Silva, the team doctor, said Ainge's injury was not serious.

> Inglewood, California, James Wor-triple-double, with 20 points, 10 thy scored 25 of his 30 points in the rebounds and 10 assists. "This is first half and the Lakers' defense going to be a war." shut down Seattle's high scoring forward, Tom Chambers.

> got eight point the first half, went harassed by the double-teaming of scoreless in the second, then com- McDaniel and Maurice Lucas, pleted his game by throwing a pass passed the ball out to Michael Cooout of bounds. In frustration, he per, just beyond the three-point accused referee Ed Middleton of line. With time running out on the having a wager on the game.

get a pointed reply from the league about that remark.

game in his two seasons.

season, who made sure he was heard basket that ensured victory with 47 from when the contest was at its seconds left. (NYT, LAT)

Ainge was the third starter the most critical stages: in the second "This series is not going to be up

and down, flashy and fancy," said Lakers 112, Supersonics 104: In Johnson, who had his third playoff

With the SuperSonics only a bas-ket back, at 101-99 with 3:06 to go, Chambers, who had five fouls, the Lakers' Kareem Abdul-Jabbar. 24-second clock, Cooper let fly and The bet was that Chambers would just beat the buzzer with his basket.

With 2:19 left, Nate McMillan sank one of two free throws to The Lakers, outrebounded in the make it 104-100. But Johnson series' first game, when they got only drove to the basket, was fouled by four on offense, had a 51-38 advantage this time. A.C. Green had 15 to give the Lakers a five-point lead. drove the length of the court and But it was Earvin (Magic) John- was fouled. His two free throws son, given a standing ovation before made it 107-100, with 1:14 to go, the game for being named the then he made one more drive, NBA's most valuable player this through the Seattle defense, for the

SCOREBOARD

Baseball

Tuesday's Major League Line Scores

Stieb. Elchhorn (6), Musselmon (7) and Whill; Suffon, Buice (8), Moore (9) and Boone, W—Buice, 2-2. L—Musselmon, 2-1. Sv.—Moore (5). Minnesota 298 061 080—3 7 0
Clevelous 809 822 963—4 6 3
Straker, Frozier (6), Klink (6), Portugol (6)
und Loudner; Schrom and Dempsey, Bando
(7), W—Schrom, 3-4, L—Portugol, 1-3, HRS— New York 600 100 001—2 9 6
Opidand 111 100 90x—4 8 0
Rosmussen. Clements (3) and Skinner; OnIlveros, Eckerslev (4), Howell (9) and Testion, W—Eckerslev, 3-2. L—Rosmussen, 3-2.
Sv—Howell (7), HRS—New York, Ward (6).

Montrea: 108 000 100—2 9 1
LaCost. Garreits (8) and Melvin; Youmans,
Sebra (4), McGoffisca (5), Brown (6) and
Fitzsetsid. Sherro (7), W-LaCost. 4-1, LYoumans. 1-1, HR9—San Francisco, Leonard
2 (11), Melvin (7).

2 (11), Mervin (7).

\$1.Louis 300 800 206—6 7 1
Altenta 802 100 603—6 11 9
Altenta Augrente, Dowley (6), Soff (7), Worrell (8)
ond Loke, Pognozzi (7); Mahler, Assentacille
(7), Gorber (9) and Virall, W—Garber, 5-2, L— Scotte Bellerd, Wilhlomson (8) and Kehnedy, Van Gorder (8); Truffila. Shields (3), Wilkinson (6), Clarke (8), Nunez (9) and Valle. W.—Bal-

Major League Standings

L—Show, 1-5. HR—San Dega, Normaz (3).
Housten 99 991 189—2 7 2
Pittsberus 910 189 21x—5 7 9
Desnaies, Lagez (5), Meads (7), Andersen (7), Smith (8) and Ashby; Fisher, Smiley (5),
Robinson (8) and LaVoillere, W—Smiley, 3-1.
L—Meads, 3-1, Sv—Robinson (7). HRs—Houston, Davis (5). Pittsburgh, Diaz (4). 1510m
27 14 .611
28 19 .513
20 19 .513
19 19 .500
16 20 .444
14 21 .400

NATIONAL LEAGUE 23 14 A22 21 14 A00 19 19 520 17 19 A72 17 20 A59 15 21 A17

1/2 21/2 21/2

Hockey

NHL Playoff Leaders (Through May 18)

Messier, Edm Gretzky, Edm

Soccer

EUROPEAN CHAMPIONSHIP INTERNATIONAL PRIENDLIES

Basketball

National Basketball Association Playoffs

Transition

lease, MONTREAL—Optioned Uboido Heredia, alicher, to Indianasolis, American Association, Activated Flayd Yournans, plicher, from the 15-day disobled list. SAN FRANCISCO—Activated Jose Uribe, shortstep, from the 15-day disabled list, Sent Mike Woodard, Infielder, to Phoenix of the Druttle Court Leabing.

FOOTBALL National Feeball Leave DALLAS—Signed Everson Walls, corner-back, to a three-year confroct. OENVER—Rubin Carter, nose tackle, re-tired and was hired as an assistant defensive

offensive rockets for in increasing contains guard; william Altena, linebacker J Grey Ramsey and Matrix Matrix, defensive line-men, and Mark Mathis, defensive back. SEATTLE—Acquired Jeff Kems, quarter-back, from the Son Francisco Hers for an analischased draft choice.

HOCKEY National Hockey Leafor DETROIT—Bilty Carroll, center, and Ed Johnstone, right wins, retired, Refeased Chris Pusey, goallender, and Ted Socers, forward. AMONT REAL—Signed Mike McPhes, left wing, to a two-year control. COLLEGE

bounds: Seattle 38 (McDaniel 8); Los Angeles 51 (Green 14). Assists; Seattle 26 (McAlillan 7); Los Angeles 24 (Eq. Johnson 10).

BASEBALL
Assertion Leopue
CLEVELAND—Colled up Dove Clerk, outfielder, from Buffolo of the American Associstion. Sent Otts Nixon. outfleider, to Buffolo.
KANSAS CITY—Stened Lannie Smith, outleider, to a contruct with Omoho, American
ksocioties. BASEBALL

Association.

NEW YORK—Placed Claudell Washinston, outfielder, on the 15-day displied list, Recalled Keith Hughes, outfletter, from Columnia in June 11 June 12 June 1

CONFERENCE FINALS

Defroit
Baston 24 18 31 29—104
Parish 10-12 11-12 31, Mchale 7-8 7-9 21;
Thomas 6-24 6-6 18, Dontley 7-17 3-4 17, Rebounds: Detroit 51 (Mohern 11); Boston 49
(Blird 16), Assists: Defroit 19 (Thomas 16);
Boston 26 (Bird 11).

West
Sentite 29 24 22 27—104

Sentite 29 24 22 27—104

La Lakers 22 24 27 29—112

La Lakers 29 25 22 27—104

La Lakers 29 25 21 27—104

La Lakers 29 25 21 27—104

La Lakers 29 25 27 29—112

La Lakers 29 25 27 29—112

La Lakers 29 25 27 29—112

line cooch. PITTSBURGH—Signed Gree Lleyd and Joe Williams.linebackers; Cwight Stone.run-ning back! Dennis Barcky, neet tackte, and 5T. LOXIS—Signed Toomas kooks. Larry Cowon, John Adams, Domiel Crawell, Darrick McAdoo and Randy Rutledge, running backs: Russell Evans and Eric Brown, wide receiv-ers: Jeff Gallimore, Hairt and; Tran Welfer, offensive tackie: Tim McParland, offensive

Royals 4, Red Sox 1: In Kansas

became the AL's first seven-game had 2 points at halftime, finished

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PUTTS PER GREEN PUTTS PER GREEN

1. Mark Corleavectine. 231. 2. Fred Coustes

25. 3. Curtis Strange, 222. 4. tie. Bernberg
Langer, Hal Sution and Ben Crenshaw. 220. 7

Mike Sullivan. 216. 4. Green Normon. 214. 9

Poul Azinger, 213. 10. Nick Price. 211. 1, Dave Rummatis, 9. 2, Fuzzy Zoelier, 8. 3, Ne. Davis Lave III, Romile Black and Dan Forsman, 7.

heim, California, rookie Mark but contributed 16 rebounds and 11 McLemore, who had driven in his assists to go with his 18 points. team's first run, beat out an infield single with two out in the home tons shot 46 percent, the Celtics, eighth as Jack Howell scored from with the 7-foot Parish dominating third with the run that beat Toronto. Indians 4, Twins 3: In Cleveland. Cory Snyder's two-run homer with

the end of the period, but with 4:16 Rangers 10, Tigers 8: In Arling- to play in the game the Celtics held ton, Texas, Larry Parrish hit a a 93-83 lead and Ainge's absence

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Prizes and Compromises at Cannes

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fer to countries that were asked to reject a gift from one of its most make donations to the freedom loyal allies." make donations to the freedom fighters by numbers. Thus, to protect their identities, we have Country No. 1, Country No. 2, Country No. 3 and so on.

This is what is going to happen when they get to Country No. 10. "Mr. McNugget, is it true that

the king of Country No. 10 and asked him for \$50 mil-

"I didn't approach him. I got on my hands and knees and licked his slip-pers. I know a

little something Buchwald about protocol. "What did you tell him you wanted the money for?" "I said we wished to build an Arabian film studio in Nicaragua."

What did he say to that?" "He said he wasn't interested unless the money went for arms to the contras. I replied the president wouldn't hear of funds going to the freedom fighters without congressional approval."

"How did the king react to

Restored Wall Falls in Bukhara

The Associated Presi MOSCOW — The wall of an ancient fortess in Uzbekistan stood for centuries but came crashing down shortly after it was rebuilt according to a chesp and inadequate plan, a Soviet newspa-

A 12-meter-high wall of the Ark, a fortress in the ancient city of Bukhara said to be more than 1,000 years old, fell "in a roar and in dust" not long after it was rebuilt. Izvestia said. No one was burt.

It quoted the art critic and archaeologist Galina Pugachenskova as saying a proper restoration design for the wall had been rejected because it was too complicated and expensive. She said that cultural officials had substituted the cheap-

WASHINGTON — In the Iran-contra congressional hearings it has been decided to re-

"Mr. McNugget, did you get the impression that the king of Country No. 10 was expecting quid pro quo in exchange for the \$50 mil-

"He never mentioned quid pro quo, but he did say something about wanting to own Florida." "He asked for Florida in ex-

change for the \$50 million?"
"As I understand it, sir, Ollie
North suggested he ask for it. I
don't believe the king expected to get it. I told him Florida was out of the question, but I could see the White House letting him have one of the smaller states."

"Yes, sir. I felt the king deserved something tangible for his dona-tion. After all, he was sticking his neck out for us."

"What did the president think of all this?"

"He didn't know we had solicited Country No. 10 for money." "Then why did the president publicly thank the king for his con-tribution in the Oval Office?"

president has done for the last six

"Besides Florida, was there any-

try considers Nicaragua the biggest danger there is in the Middle East." whatever happened to the \$50 mil-

"The king put it in a numbered bank account in Switzerland."

"It was lost because Ollie North gave his majesty the wrong num-

"What was Licutenant Colonel North's reaction when he found

alkov's brother, who is based in Los Angeles. Named best director was Wim

offstage.

Wenders, who made the German "Der Himmel über Berlin" ("Wings of Desire"), an unchar-acteristically sentimental work for Wenders, about a guardian angel who falls in love and elects to stay on earth. That compromise was to be the

By Vincent Canby

New York Times Service

awards ceremony marking the end of the 40th Cannes Film

Festival, the audience at the Fes-

tival Palace loudly jeered the an-nouncement that Maurice Pialat's

"Sous le Soleil de Satan" (Under

Satan's Sun) had won the Golden

Not in some time has the

Cannes festival's premier award

caused such vocal outrage. The

French film, adapted from a nov-

ei by Georges Bernanos, is a seri-ous, thoroughly unexceptional tale about a simple country priest, played by Gérard Depardieu,

who wrestles with his doubts and,

on one occasion, the devil himself.

were interrupted by boos on Tuesday night, Pialat shook his fist at the audience and walked

Not all of the prizes were so

unpopular. The audience gave the

evening's biggest hand to Mar-cello Mastroianni, who won as

best actor for "Oci Ciornie"

(Dark Eyes), the Chekhovian Ital-

ian film by the Soviet director, Nikita Mikhalkov. Equally popu-

lar was the award to Barbara Her-

shey for her performance as a hard-bitten Louisiana bayou

woman in "Shy People," directed by Andrei Konchalovsky, Mik-

When his acceptance remarks

Palm, the festival's top prize.

ANNES, France - At the

theme of this year's awards was hinted at several days earlier when Yves Montand, the president of the festival jury, said privately that the entire prize-giving business was "a cruel and arbitrary process." Montand said of the jury deliberations: "You talk and vote, talk and vote, and at the end, the winner is something you didn't know that anybody liked." The Special Jury Prize (in ef-



Maurice Pialat, winner of the Golden Palm, with Sandrine Bonnaire and Gérard Depardieu, stars in "Sous le Soleil de Satan"; at right, Jon Voight (rear) presents Tengiz Abuladze, who won the Special Jury Prize.

an unexpectedly savage satire about a dictatorial mayor of a small city in Soviet Georgia. Stephen Frears, the director of Prick Up Your Ears," received the festival's second prize for directing, though he was officially cited for his "artistic contribu-

The Golden Camera award, given to the best first feature, went to another Soviet film, Nana Dzhordzhadze's "Robinzohada ili moy angliyskiy deduchica" (My

English Grandfather).
Second in popularity only to
Mastroianni's prize was the festival's 40th-anniversary award to Federico Fellini, whose film "Intervista" (Interviews) was shown out of competition. Of the films shown in competi-

sen a favored operatic aria and tion during the last week of the "reinterpreted" it, almost always festival, the most talked about for the worse. Overshadowing the competi-tive entries during the last week were the out-of-competition were Ettore Scola's "La Famiglia" (The Family), a chronicle that fect, the festival's second prize), was given to "Pokayaniye" (Repentance), a Soviet entry directed by Tengiz Abuladze. The film is cy Rourke and Faye Dunaway. films. Woody Allen's "Radio Days" was wildly welcome in a festival not long on laughs or cer-

"Barfly," based on an original screenplay by Charles Bukowski, tified cinema auteurs. So was the Fellini "Intervista," one of the an American poet who is far betmaster's most elegiacal, free-form ter known in Europe than at movies, set in and around a movie studio where Fellini recalls his enhome, is a dark, sometimes exuberantly comic anecdote. It covtry into films, some of his closest ers several days in the lives of two associates, and the disasters that rapacious, self-aware alcoholics try filmmakers' souls. (Rourke and Dunaway) in the sleazy bars along Los Angeles's

The film's highlight, perhaps equal to the appearance of the liner Rex in Fellini's "Amarcord," is a sequence in which Marcello Mastroianni and Anita Ekberg, as they are today, watch themselves as they were 28 years ago in the Fountain of Trevi scene from "La Dolce Vita."

Yves Montand said that the

prize-giving business was "a cruel

and vote, talk and vote, and at the

end, the winner is something you

didn't know that anybody liked."

were originally set to appear as Learo, a Mafia chief, and his

daughter Cordelia. The Mailers

did appear for a day of shooting

before they quit. Godard, being a

frugal man with film, uses this

footage to open the "King Lear" he finally made — a poetic, often totally obscure essay on "power

Unlike "Maidstone" and the

other "underground" films Mailer made in the 1960s, "Tough

Guys" is thoroughly professional

in all its technical aspects, and has

a cast of good actors headed by Ryan O'Neal, Isabelia Rossellini,

Lawrence Tierney and Debra

Sandlund. It also has a wonder-

fully exaggerated film noir story

myolving cocaine smuggling, wife-swapping and multiple mur-ders of an especially lurid sort.

Yet, for all its professionalis

"Tough Guys" is most (ascinating

as a Mailer essay about movies. Because the film was shot (beauti-

fully, by John Bailey) in and around Provincetown, Massachu-

etis, where Mailer has a house,

"Tough Guys" has the manner of something made by a group of intelligent people playing "let's pretend" during the off season.

This is its charm and its limita-

beats the heart of an aggressively

unrecalcitrant underground film-

maker, which is meant as praise. Nobody wants a Mailer film that looks and sounds like the work of

even Howard Hawks. The dia-

logue bounces crazily between ba-

sic screenplay information

("Somebody's trying to hang a murder rap on you") and basic

Mailer introspection. The hero, speaking possibly of murder, says "It didn't come naturally to me.

Nothing graceful ever came natu-

rally to me."

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Inside "Tough Guys" there

and virtue."

and arbitrary process. You talk

The most entertaining mo-ments of the festival's final week were provided by Jean-Luc Godard, the enduring cinema innovator, and by Norman Mailer, not in his role as a festival jurist but as the writer and director of his independently made "Tough Guys Don't Dance," adapted from his

Godard was here for the showing of his "King Lear," in which Mailer and his daughter, Kate,

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PEOPLE

Lynn Redgrave Appeals Breast-Feeding Suit

Lyan Redgrave will appeal a \$10 million lawsuit brought against Universal Television, which she says fired her for breast-feeding her daughter, Annabel, on the set, her attorney said after a judge refused to hold a new trial. Superior Court Judge Jack Ryburn ruled that the case, filed in 1983, had been settled in June 1986.

Uri Geller, the psychic who bends spoons, says giving up meat dramatically boosted his cutlerywarping abilities. Geller, a committed vegetarian, told Womani? World magazine in London it tolk him five minutes to bend a spoon 10 years ago. But after he stopped eating animal products, spoon-bending became just one minute's work, he was quoted as saying.

He's still faster than a speeding bullet. And yet, earthlings, Super-man is about to turn 50. The actual birthday is not until June 1988, the 50th anniversary of the month that Action Comics hit the newsstands with Superman on the cover. None-theless, DC Comics held a press conference Tuesday to announce a year's worth of Super Semicenten-nial Events. There is to be an exhibit at the Smithsonian Institution in Washington, a birthday party in New York, a new Superman movie, a Superman television special, and i the unveiling of a Superman statue in Superman's real hometown of Cleveland, Ohio. It was in Cleveland that teen-agers Jerry Siegel and Joe Shester came up with the idea of a comic-strip hero with superhuman strength who would

Bette Midler led the American Comedy Awards winners Tuesday night with funniest-of-the-year trophies for her performance in the movie "Ruthless People" and on her album "Mud Will Be Flung Tonight." Midler also won the trophy as the year's funniest female performer, with Woody Allen picked as the year's funniest male comic. . . Narada Michael Wal-den and his tune "How Will I Know," the most-performed pop music song of 1986, won top awards Tuesday from the American Society of Composers, Authors and Publishers. Walden received the writer of the year award.

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"Mr. McNugget, did you promise the king of Country No. 10 two dozen AWACs in exchange for the contra donation?

"I wasn't at that meeting. But if he did I will take full responsibility for it as I have for everything the

thing else the king demanded?"
"Not that I recall. His majes said the \$50 million was a gift and he was pleased it was going for a worthy cause. He told me his coun-

"By the way, Mr. McNugget,

"And then what?"

"He felt very bad about it."

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